

**REPORT
OF THE
COMMISSIONER OF INSURANCE
FOR THE YEARS ENDED
31ST DECEMBER 1971
TO
31ST DECEMBER 1980**

Ministry of Finance

R E P O R T
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1971

3rd April, 1982.

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

In accordance with Section 6 of the Insurance Act, 1970, I have the honour to submit to you for presentation to the National Assembly the First Annual Report on the working of the Insurance Act, 1970 for year ended 31st December, 1971.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

**FIRST REPORT
OF THE COMMISSIONER OF INSURANCE**

Background

Prior to 1930 there was no legislation to effectively control or regulate insurance business. In 1930 an effort was made to control life insurance by the enactment of the Life Insurance Companies Ordinance, and Companies whether corporate or incorporate carrying on life insurance business were subject to the control of this Ordinance. Every such company was required to keep deposited in the Treasury approved securities to the value of \$50,000 or satisfy the Registrar of Joint Stock Companies that a deposit in similar circumstances was made in any other commonwealth country where the law in force provided for such deposit. Life Insurance business and its supporting assets had to be kept separately from other business and assets; the Life Insurance Fund could not be used for any other purpose but for Life Insurance business. The accounts of a Company were to be audited annually and the assets and liabilities evaluated actuarially at least quinquennially. However, business done in Guyana was not required to be shown in accounts separate from similar business done in any other country.

In the case of companies carrying on other classes of insurance business there was no similar legislation to effectuate control except indirectly through the Companies Ordinance, and the Motor Vehicle Insurance (Third Party Risks) Ordinance. The Companies Ordinance ensured that even a foreign company which established a place of business in Guyana should file sufficient information (e.g. its constitutional instruments, list of directors and their addresses etc.) with the Registrar so as to make the company accessible to legal process within Guyana.

The Motor Vehicles Insurance (Third Party Risks) Ordinance imposed an obligation on a user of a motor vehicle on any public road to have in force a policy of insurance with an 'authorised insurer' and prescribed the minimum content of such a policy. The 'authorised insurer' must be approved within the provisions of the Ordinance and deposit in the Treasury the sum of \$50,000 or approved securities to the like amount.

It is observed therefore that insurers other than life or third party risks' insurers who carried on business through Agencies without establishing a place of business in Guyana were not even sufficiently controlled to make them legally accessible. Apart from the lack of adequate legal control, Insurance Companies had become a vital source in mobilising capital from local savings. Such capital accumulations, particularly in the case of foreign companies, were invested overseas, and even if investments were made locally such funds were generally channelled into avenues which could not have been considered in the best national interest. The investment of such capital so mobilised has been inconsistent with Government's philosophy which embraces an intensive struggle against the country's economic problems, a massive development programme and a more equitable distribution of wealth leading up to a general upliftment of its citizens.

As far back as 1966, the year of Guyana's independence, the need for tidier and more meaningful control was mooted and in his budget speech for the year 1970 the Minister of Finance mentioned *in alia* –

“it is the intention of Government to set certain guidelines within which insurance companies operating in Guyana must transact their business. These guidelines, it is hoped, would relate amongst other things to such matters as the investment policies pursued by insurance companies. It is intended, Mr. Speaker, that through the application of these guidelines, insurance companies would contribute in a more meaningful manner to the financing of development in Guyana”.

In consequence of such a background and in order to implement the budget proposal the Insurance Act, 1970 was enacted on 20th November, 1970.

The Insurance Act, 1970

The Act embodies provisions for –

- (i) the establishment of the post of Commissioner of Insurance who is responsible for the administration of the Act;
- (ii) no person shall carry on insurance business in Guyana unless that person is a company incorporated under the Companies Ordinance or by virtue of any other law in force in Guyana or if incorporated outside of Guyana must establish a place of business in Guyana;
- (iii) any company wishing to carry on any class of insurance business in Guyana except motor vehicle, marine, aviation and transit insurance must be registered by the Commissioner of Insurance;
- (iv) a Company incorporated outside of Guyana and which establishes a place of business in Guyana must furnish the Commissioner with the name and address of its principal representative in Guyana who is authorised to accept on its behalf service of process and any notice required to be served upon it;
- (v) registered insurers are required to deposit with the Commissioner of Insurance the sum of \$250,000 in respect of Long-Term Insurance business or Property Insurance business not including Motor Vehicle, Marine, Aviation and Transit insurance. The deposit may be paid in the form of cash or in the form of approved securities or partly in one or partly in the other;
- (vi) the Commissioner may prohibit a registered insurer from issuing new policies or may cancel registration on the grounds of insolvency (in which respect he may also petition for the winding up of the company) or failure to comply with the provisions of the Act;

- (vii) life insurance accounts and assets must be separated from other accounts and assets, and the Long-Term Insurance Fund must be the absolute security of long-term policy holders;
- (viii) accounts of registered insurers must be audited annually and along with any statements and reports submitted to the Commissioner;
- (ix) actuarial valuation of life assurance assets and liabilities must be undertaken at least quinquennially;
- (x) every registered Insurance Company shall establish and maintain a Statutory Fund (to be called the Long-term Insurance Fund) in respect of its liability and contingency reserves with respect to policies issued in Guyana in relation to its long term insurance business;
- (xi) an insurance company must invest and keep invested therein an amount not less than ninety-five percent of its Statutory Fund in assets in Guyana and further must invest twenty percent of the annual increase of its statutory fund in approved securities – such investment being taken into account as a part of the ninety five percent level;
- (xii) The Commissioner may demand from a registered insurer or from an applicant for such registration any relevant document or information;
- (xiii) the Commissioner may appoint an inspector to investigate the affairs of a registered insurer;
- (xiv) while the Commissioner has wide discretionary powers he must state reasons for any action taken and an aggrieved person has the right to appeal to the Minister.

Registration

After the commencement of the Insurance Act, 1970, Companies that were carrying on Insurance business in Guyana had three months within which to be registered. Eighteen applications were received but only fourteen satisfied the requirements for registration and were accordingly registered in February, 1971. The other four could not meet the deposit requirement of G\$250,000. Later in that year two more Companies were registered. A list of the Companies registered during the period under review is given at Appendix 1 and is classified as follows:—

	Local	<u>Foreign</u>	Total
Long-Term Insurance Business	3	5	8
Other than Long-Term, Motor-Vehicle, Marine, Aviation and Transit Insurance Business	4	4	8
	7	9	16

A register of the companies registered has been maintained.

Of the seven local companies registered, three were incorporated under the Companies Ordinance, Chapter 328 and the other four under specific legislation pertaining to each Company. These four Companies are: –

Hand-in-Hand Mutual Fire Insurance Company Limited	Chapter 208
Guyana and Trinidad Mutual Life Insurance Company Limited	Chapter 209
Guyana and Trinidad Mutual Fire Insurance Company Limited	Chapter 210
Demerara Mutual Life Assurance Society Limited	Chapter 211

Most of the companies were registered to transact more than one class of insurance business, as indicated hereunder:

Class of business undertaken	Local	<u>Foreign</u>	Total
Long-term insurance i.e. Life, Bond Investment and Non-Cancellable Sickness and Accident	3	5	8
Property Insurance	2	4	6
Cancellable Group Life Insurance	3	2	5
Accident and Liability Insurance	2	3	5
Cancellable Sickness and Accident Insurance		4	4
Health Insurance	2		2

Certificates of Registration were issued to all registered companies. No association of underwriters sought registration and in consequence none was registered.

Several companies, particularly foreign ones, which were operating before the Act, by not registering, had ceased carrying on insurance business in Guyana at the commencement of the Act. These companies however, continued to service policies that existed before the Act.

Three Companies sought a variation of the deposit requirements so that they could be registered. Such representations could not be accommodated within the provisions of the Act and in consequence these companies, like other non-registered companies had to restrict their business to the servicing of the then existing policies.

Reports that certain unregistered Companies were attempting to carry on insurance business i.e. procuring new business, were investigated. No evidence was forthcoming to

support the justification of such allegations. It may be noted however, that in this respect penalties are prescribed under the Act for any breach and a director or any officer of a body corporate shall be liable to such penalties if deemed guilty.

Deposits

Fourteen Companies were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act. The entire lodgement was made in Government of Guyana debentures and amounted to the value of three million, six hundred and twenty eight thousand dollars (\$3,628,000). It was not obligatory for two other companies that were registered to effect the deposit since they transacted only Health insurance business which did not necessitate such deposit. A list of the Companies and their deposits is given at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-term insurance funds which were established at the beginning of 1971 pursuant to subsection (1) of Section 23 of the Insurance Act amounted to \$43,344,321, viz.

3 Local Companies	\$23,228,786
5 Foreign Companies	\$20,115,535
Total	\$43,344,321

After a year's working the position of the long-term insurance funds was as follows:—

3 Local Companies	\$25,070,037
5 Foreign Companies	\$21,886,921
Total	\$46,956,958

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
Real Estate	150,717	2,596,952	2,747,669
Equipment		66,144	66,144
<u>Loans on:</u>			
Mortgages on property within Guyana	15,526,035	4,370,583	19,896,618
Stocks and Shares		34,664	34,664
Policies within their surrender value	4,186,150	4,350,298	8,536,448
Personal Security		16,045	16,045
Other Loans		49,484	49,484
Total	19,862,902	11,484,170	31,347,072
Total Carried Forward	19,862,902	11,484,170	31,347,072

Particulars	Local Companies \$	Foreign Companies \$	Total \$
Total Brought Forward	19,862,902	11,484,170	31,347,072
Deposit with Commissioner of Insurance	757,706	1,270,000	2,027,706
Government of Guyana Securities	1,029,702	1,714,202	2,743,904
Municipal Securities	462,305	121,095	583,400
Shares in Local Business	2,061,579		2,061,579
Treasury Bills	49,736	857,631	907,367
Cash on Fixed Deposit	373,384	484,307	857,691
	<u>24,597,314</u>	<u>15,931,405</u>	<u>40,528,719</u>

In addition to these amounts the following assets were held against the fund:—

	Local \$	Foreign \$	Total \$
Net current assets including cash on current account or on hand	313,073	828,949	1,142,022
Foreign Investments	636,190	5,500,216	6,136,406
Total	<u>949,263</u>	<u>6,329,165</u>	<u>7,278,428</u>

In accordance with subsection (1) of Section 30 of the Act the minimum amount that is required to be invested in assets in Guyana by Companies carrying on Long-Term Insurance business is ninety-five percent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	Local Companies	Foreign Companies	Total
Minimum Requirement	23,816,537	20,792,573	44,609,110
Actual Investments in Guyana	24,597,314	15,931,405	40,528,719
Excess/Deficit	<u>+ 780,777</u>	<u>-4,861,168</u>	<u>-4,080,391</u>

It will be observed therefore that while the local companies have invested \$780,777 more than the required minimum locally, the foreign companies were in deficit by \$4,861,168, resulting in an overall deficit of \$4,080,391. A detailed statement of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Pursuant to subsection (3) of Section 30 of the Insurance Act, every insurance company carrying on long-term insurance business in Guyana is required to invest in securities approved

by the Minister an amount equal to twenty percent of the annual increase of its Long-term Insurance Fund. The securities so approved have been Government of Guyana 7% debentures and the total investments made in this respect against the increases of the funds were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
Increase in funds	1,841,251	1,777,386	3,612,637
Minimum investment requirement in approved securities	368,250	354,277	722,527
Amount actually invested	338,230	520,000	858,230
Excess/Deficit	-30,020	+165,723	+135,703

Details are shown at Appendix IV.

Investment Ratio

Of the total reserves of \$46,956,958, 9.0% was held in Government and Municipal Securities; 18.0% in loans to policy holders; 4.3% in local equity and 42.3% in Mortgages. The mortgage rates have been increased from 6 to 9 percent per annum. This investment ratio is not an unusual pattern since Life Companies consider it prudent to keep the bulk of their assets invested in long-term securities in order to maximise their aggregate investment income.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$14,872,520 of which the amount of \$10,816,989 represents premium income i.e. about 72.7%. The total expenditure amounted to \$11,312,707 and of this amount the sum of \$3,371,154 was in payment of claims i.e. 29.7%. Details of this account are given at appendix V.

Insurance Business other than Long-Term or Motor, Marine, Aviation and Transit Insurance Business.

This category of business which includes fire, accident, and other miscellaneous property insurance, e.g. burglary, is carried on by six companies, two local and four foreign. These companies may also offer motor, marine, aviation or transit insurance but are not required to be registered to carry on such classes of insurance. The bulk of the non-life business falls to the local companies.

The business done in 1971 by insurance companies was not kept separately and in consequence details are not available for this report.

Health Insurance Schemes

Two local companies operate Health Insurance Schemes; the detailed revenue account is shown at Appendix VII. The total income amounted to \$311,748 while the total expenditure amounted to \$284,591. The sum of \$249,534 was paid in claims and benefits.

Amalgamations and Transfers

No amalgamation or transfer has been effected during the period under review nor has there been any notice of intention to this effect.

Complaints and Enquiries

A few complaints and enquiries were received from policy holders and persons engaged in the industry. These were mainly connected with:—

- (a) the delay in payment of policy claims;
- (b) the non payment of claims;
- (c) legal requirements for the operation of the insurance industry in Guyana.

The complaints were duly investigated and settled to the satisfaction of all parties concerned while all relevant information and help were accorded to those persons making such enquiries.

It was not necessary for the Commissioner to act within the provisions of Section 7 (1) of the Insurance Act as an arbitrator in any dispute or difference between an insurer or a policy holder. Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision, direction or order of the Commissioner.

Withdrawal of Motor Insurance

During 1971 Insurance Companies carrying on motor insurance business intimated to bus owners their intention to cease renewing or had actually refused to accept risks on motor buses. The bus owners were private individuals and the cessation of such coverage was the cause of much concern to them particularly as they relied on the buses for their only means of livelihood and could not afford to deposit in each case the sum of \$50,000 as an alternative to insurance coverage in order to comply with the requirements of the Motor Vehicles (Third Party Risks) Ordinance. Further, the threatened discontinuance of the bus services would have occasioned much hardship to communities who depended upon the buses as their only means of transport.

The problem was taken up with the Insurers who contended that their 'claims experience' in bus coverage over the past years had been very bad and they had suffered losses progressively. The Insurers pointed out that the high rate of accidents was mainly due to too many buses competing on the same routes; the maintenance of buses was very poor and in many an instance drivers lacked adequate experience and that compensation awards for personal injury had been enormous. As a result, they decided to discontinue coverage unless the operating of such buses could be improved. After conciliatory talks the Insurers finally agreed to continue coverage of buses.

Taxation Relating to Insurance

Consequent upon the enactment of the Corporation Tax Act, 1970 (No. 30), the Income Tax (Amendment No. 2) Act, 1970 (No. 31) and the Property Tax (Amendment) Act, 1970 (No. 17) Insurance Companies have been making representation seeking where necessary, clarification, adjustments and relief in respect of certain provisions since these Acts had effected substantial changes in the taxation system. After careful consideration of such representation the Miscellaneous (Fiscal Enactments) (Amendments) Act, 1971 (No. 25) was enacted effecting the desired amendments to the pertinent sections of the aforementioned legislation.

Companies carrying on long-term insurance business are subject to an income tax at the rate of 45% of their chargeable income whilst non-life companies pay an income tax at the rate of 20% of their chargeable income, a Corporation tax at the rate of 35% of their chargeable profits and a withholding tax of 40% of the distributions made. In addition premiums payable to foreign companies in respect of non-life insurance are subject to a deduction of 6% of the amount paid where a company has established a place of business locally and of 10% if it has not.

An annual licence fee calculated at the rate of five dollars for every thousand dollars of premiums received in the previous year is payable by companies or by Agents for Companies carrying on life insurance business – the minimum being five hundred dollars and the maximum one thousand dollars. Companies carrying on fire and accident insurance business or Agents for such companies pay an annual licence fee of one thousand dollars.

Insurance Companies like other companies are also subject to a property tax at the rate of half percent on all net property within the provisions of the Property Tax Ordinance, 1962.

A tax of fifteen percent of the amount representing the surrendered value of a policy is imposed whenever a life insurance policy is surrendered before the policy holder attains the age of sixty years.

Premiums paid to an approved company in respect of a life insurance policy are allowed as a deduction for the purposes of Income Tax up to the maximum of one-fifth of a person's income but should not exceed ten percent of the capital sum assured.

Professional Organisations

There are four professional organisations in Guyana viz:

- (i) The Insurance Association of Guyana caters for interests common to its members relating to the industry as a whole and makes representations if necessary to appropriate authorities. This Organisation does not prescribe or control tariff rates for any class of insurance business carried on in Guyana.
- (ii) The Fire Association's main function is to implement and supervise the rates and tariff regulations prescribed by the Fire Office Committee, London, England, which are applicable to Fire business in Guyana. It is understood that a merger of this Association with the Insurance Association of Guyana is contemplated.
- (iii) The Accident Association supervises and implements tariff rules and rates prescribed by the Accident Office Association, London, England.
- (iv) The Insurance Institute of Guyana is affiliated to the Chartered Insurance Institute, United Kingdom. This organisation sponsors and promotes the training of its members, most of whom are engaged in the insurance industry. The membership is about one hundred and fifty persons. While a professional code of conduct has not been compiled this organisation emphasises to its members the importance of an efficient service and the maintenance of professional and ethical behaviour in the industry.

Appreciation and Acknowledgement

Finally, I wish to record my appreciation of the co-operation accorded me by members of the Insurance Industry as a whole; of their readiness to deliberate on matters affecting the industry and statutory requirements and of their willingness to settle disputes. Without such co-operation the task of establishing what is essentially a new service would have been less smooth. My appreciation of the co-operation and assistance of the Secretary to the Treasury and staff in this new section is also gratefully acknowledged.

**P.A. Bender
Commissioner of Insurance.**

**APPENDIX I
COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA**

	<u>Long-term Insurance</u>	<u>Non-Long-term Insurance excluding Motor Vehicles, Marine, Aviation and Transit Insurance.</u>
<u>Local</u>	<ol style="list-style-type: none"> 1. Demerara Mutual Life Assurance Society Limited. 2. Guyana and Trinidad Mutual Life Insurance Company Limited. 3. Hand-in-Hand Mutual Life Insurance Company Limited. 	<ol style="list-style-type: none"> 1. Guyana and Trinidad Mutual Fire Insurance Company Limited. 2. Hand-in-Hand Mutual Fire Insurance Company Limited. 3. Guyana Health Insurance Company. 4. Francis De Caires and Company.
<u>Foreign</u>	<ol style="list-style-type: none"> 4. American Life Insurance Company. 5. British-American Life Insurance Company Limited. 6. Caribbean Atlantic Life Insurance Company Limited. 7. Colonial Life Insurance Company (Trinidad) Limited. 8. First Federation Life Insurance Company Limited. 	<ol style="list-style-type: none"> 5. Caledonian Insurance Company. 6. Colonial Fire and General Insurance Company Limited. 7. New India Assurance Company Limited. 8. The Liverpool and London and Globe Insurance Company Limited.

APPENDIX II

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities Deposited</u>	
	\$	
<u>Life Companies:</u>		
<u>Local</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana and Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	808,000
<u>Foreign</u>		
American Life Insurance Company	250,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	1,270,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana and Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	550,000
<u>Foreign</u>		
Caledonian Insurance Company	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total	<u>\$3,628,000</u>

**APPENDIX III
STATEMENT OF LONG-TERM INSURANCE FUND**

1971 Insurer	Demerara Mutual Life Assurance Society Ltd.	Guyana and Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Insurance Co. Ltd.	Total Local Companies	American Life Insurance Company	British American Life Ins. Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Ltd.	First Federation Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	12,044,015	11,698,712	1,327,310	25,070,037	4,705,170	2,713,462	3,430,489	9,652,668	1,385,132	46,956,958
Real Property										
Office Building	109,102	—	—	109,102	1,495,589	117,948	150,310	33,105	800,000	2,706,054
Other	41,615	—	—	41,615	—	—	—	—	—	41,615
Furniture and Fixtures	—	—	—	—	33,120	—	8,831	—	24,193	66,144
Loans on										
Mortgages on property within Guyana	6,620,931	8,401,022	504,082	15,526,035	1,088,696	1,234,750	208,643	1,799,352	39,142	19,896,618
Stocks and Shares	—	—	—	—	—	—	—	34,664	—	34,664
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	2,615,016	1,527,049	44,085	4,186,150	1,035,875	362,500	547,784	2,319,350	84,789	8,536,448
Personal Security	—	—	—	—	—	—	—	—	16,045	16,045
Others	—	—	—	—	—	—	—	45,866	3,618	49,484
Investments										
Deposit with Commissioner of Insurance	250,000	257,706	250,000	757,706	250,000	270,000	250,000	250,000	250,000	2,027,706
Other Government of Guyana Securities	46,320	750,382	233,000	1,029,702	286,260	50,888	147,596	1,229,458	—	2,743,904
Public Corporations & Govt. Ventures	—	—	—	—	—	—	—	—	—	—
Municipal Securities	251,840	144,615	65,850	462,305	—	—	—	121,095	—	583,400
Shares in Local Businesses	1,484,696	477,049	99,834	2,061,579	—	—	—	—	—	2,061,579
Treasury Bills	15,000	—	34,736	49,736	400,000	397,268	—	60,363	—	907,367
Cash on Fixed Deposits	243,384	—	130,000	373,384	—	238,058	100,000	145,000	1,249	857,691
Net Current Assets (debts etc.)	—	206,390	—	206,390	—	—	9,382	109,704	38,180	363,656
Foreign Investments (if any)	400,499	—	235,691	636,190	—	42,053	1,805,178	3,540,315	112,670	6,136,406
Cash on Current Account on Hand	—	106,683	—	106,683	115,630	—	202,765	338,042	15,246	778,366
Total Assets	12,078,403	11,870,896	1,597,278	25,546,577	4,705,170	2,713,465	3,430,489	10,026,314	1,385,132	47,807,147
Total Assets invested in Guyana	11,677,904	11,557,823	1,361,587	24,597,314	4,589,540	2,671,412	1,413,164	6,038,253	1,219,036	40,528,719
Minimum Investment Requirement of Long Term Insurance Fund	11,441,815	11,113,777	1,260,945	23,816,537	4,469,911	2,577,789	3,258,964	9,170,034	1,315,875	44,609,110
Excess/Deficit	+ 236,089	+ 444,046	+ 100,642	+ 780,777	+ 119,629	+ 93,623	-1,845,800	-3,131,781	- 96,839	-4,080,391

APPENDIX IV
STATEMENT OF
INVESTMENT IN APPROVED SECURITIES - 1971

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Co. Ltd.	Hand-in-Hand Mutual Co. Ltd.	Total Local Companies	American Life Ins. Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'd) Limited	First Federation Life Ins. Co. Ltd.	Total
31st December, 1971	\$ 12,044,015	\$ 11,698,712	\$ 1,327,310	\$ 25,070,037	\$ 4,705,170	\$ 2,713,462	\$ 3,430,489	\$ 9,652,668	\$ 1,385,132	46,956,958
1st January, 1971	11,603,238	10,703,884	921,664	23,228,786	4,018,589	2,351,452	3,026,735	9,371,695	1,347,064	43,344,321
Increase in Fund	440,777	994,828	405,646	1,841,251	686,581	362,010	403,754	280,973	38,068	3,612,637
Amount to be invested	88,155	198,966	81,129	368,250	137,316	72,402	80,751	56,195	7,613	722,527
Amount invested	40,000	223,230	75,000	338,230	—	270,000	—	—	250,000	858,230
Deficit/Excess	- 48,155	+ 24,264	- 6,129	- 30,020	-137,316	+ 197,598	- 80,751	- 56,195	+ 242,387	+ 135,703

APPENDIX V
LONG-TERM INSURANCE BUSINESS – REVENUE ACCOUNT – 1971

	Demerara Mutual Life Assurance Society Ltd.	Guyana and Trinidad Mutual Life Insurance Co. Ltd.	Hand-in- Hand Mutual Life Ins- urance Co. Ltd.	Total Local Com- panies	American Life Ins- urance Co. Ltd.	British American Insurance Co. Ltd.	Caribbean Atlantic Life In- surance Co. Ltd.	Colonial Life Ins- urance Co. (T'd) Ltd.	First Federation Life Ins- urance Co. Ltd.	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income										
Amount of Long-term Insurance Fund at beginning of year	11,603,238	10,703,884	921,664	23,228,786	4,018,589	2,351,452	3,026,735	9,371,695	1,347,064	43,344,321
Adjustment to Fund	—	52,824	—	52,824	—	—	—	—	—	52,824
Premiums (less reinsurance)	1,892,872	1,673,170	508,788	4,074,830	1,800,007	1,130,750	1,173,013	1,449,655	1,188,734	10,816,989
Consideration for Annuities granted	132,988	609,388	14,444	756,820	92,258	—	—	—	—	849,078
Interests, Dividends and Rents	1,051,137	730,990	103,214	1,885,341	222,056	107,658	100,869	820,549	40,311	3,176,784
Other Receipts	—	133	749	882	3,891	—	11,441	2,670	10,785	29,669
Total	14,680,235	13,770,389	1,548,859	29,999,483	6,136,801	3,589,860	4,312,058	11,644,569	2,586,894	58,269,665
Expenditure										
Claims:										
Death	227,920	277,237	37,723	542,880	135,729	258,720	112,866	161,761	67,800	1,279,756
Maturities	638,615	431,018	—	1,069,633	41,372	—	4,253	717,223	95,095	1,927,576
Other	—	766	—	766	60,262	—	—	3,079	99,715	163,822
Surrenders	646,652	478,958	37,783	1,163,393	223,795	—	99,738	61,628	49,977	1,598,531
Annuities	59,782	190,890	6,465	257,137	25,654	—	—	—	—	282,791
Bonuses to Policy Holders	—	—	—	—	91,735	—	10,571	6,864	18,876	128,046
Commissions	191,656	—	47,575	239,231	368,372	235,310	261,922	296,764	297,728	1,699,327
Expenses of Management	514,871	453,895	71,915	1,040,681	198,341	269,588	265,021	38,902	277,026	2,089,559
Home Office Expenses	—	—	—	—	259,291	—	—	369,250	295,545	924,086
Taxation	347,429	222,257	12,643	582,329	352	—	—	251,017	—	833,698
Other Payments	9,295	16,656	7,445	33,396	26,728	112,780	127,198	85,413	—	385,515
Amount of Long-Term Insurance Fund	12,044,015	11,698,712	1,327,310	25,070,037	4,705,170	2,713,462	3,430,489	9,652,668	1,385,132	46,956,958
Total	14,680,235	13,770,389	1,548,859	29,999,483	6,136,801	3,589,860	4,312,058	11,644,569	2,586,894	58,269,665

APPENDIX VI

**Insurance Business other than Long-term or Motor,
Marine, Aviation and Transit Insurance – Revenue
Account for the year ending 30th June, 1971**

	Hand-in-Hand Mutual Fire Insurance Co. Ltd.	Guyana and Trinidad Mutual Fire Insurance Co. Ltd.	Total
	\$	\$	\$
Income			
Amount of Fund at the beginning of the year:			
Reserved for un-expired risks	808,124	1,487,210	2,295,334
Other Reserves	4,258,756	5,720,508	9,979,264
Premiums	1,601,178	3,307,867	4,909,045
Interests, dividends and rents	390,701	622,671	1,013,372
Other receipts	4	249	253
Total	7,058,763	11,138,505	18,197,268
Expenditure			
Claims under policies paid and outstanding	148,221	1,270,618	1,418,839
Expenses of Management	449,499	828,755	1,278,254
Reinsurance	575,531		575,531
Interest or dividends on script capital	84,592	52,500	137,092
Cash Profits	447,269	570,676	1,017,945
Investment Reserves	11,147	35,000	46,147
Pensions	8,483	67,600	76,093
Taxation	101,577	591,111	692,688
Other Payments		32,106	32,106
Reserved for unexpired risk	954,273	1,866,172	2,820,445
Other Reserves	4,278,161	5,823,967	10,102,128
Total	7,058,763	11,138,505	18,197,268

APPENDIX VII
HEALTH INSURANCE BUSINESS
Revenue Account – 1971

	Guyana Health Insurance	Francis De Caires Limited	Total
	\$	\$	\$
Income			
Premiums	191,672	120,043	311,715
Other Receipts	33	—	33
	191,705	120,043	311,748
Expenditure			
Claims and Benefits	170,763	78,771	249,534
Expenses of Management	18,656	15,795	34,451
Depreciation of Equipment	606	—	606
Transfer to Profit and Loss Account	1,680	25,477	27,157
	191,705	120,043	311,748

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1972**

3rd April, 1982.

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning and Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

In accordance with Section 6 of the Insurance Act 1970, I have the honour to submit to you for presentation to the National Assembly the Second Annual Report on the working of the Insurance Act 1970 for the year ended 31st December, 1972.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance.

**SECOND REPORT
OF THE COMMISSIONER OF INSURANCE**

Registration

No new companies were registered under the Insurance Act during 1972. A list of the registered companies is shown at Appendix 1 and is classified as follows:—

	Local	<u>Foreign</u>	Total
Long-Term Insurance Business	3	5	8
Other than Long-Term, Motor-Vehicle, Marine, Aviation and Transit Insurance Business	4	4	8
	7	9	16

A register of the companies has been maintained.

Most of the companies have been registered to transact more than one class of insurance business as indicated hereunder:

<u>Class of business undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance i.e. Life, Bond Investment and Non-Cancellable sickness and Accident	3	5	8
Property Insurance	2	4	6
Cancellable Group Life Insurance	3	2	5
Accident and Liability Insurance	2	3	5
Cancellable Sickness and Accident Insurance		4	4
Health Insurance	2		2

No Association of underwriters sought registration and in consequence none was registered.

There were no cancellations of registration but the Caribbean Atlantic Life Insurance Company Limited ceased to write new policies as from 20th February 1972. This Company, however, made arrangements for the servicing of existing policies; its deposit and statutory fund are to be maintained in accordance with the provisions of the Act.

Deposits

A list of the companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act and the amount of securities deposited is given at Appendix II.

Long-Term Insurance Business

Statutory Funds

The Long-Term insurance funds which at the 1st January, 1972 amounted to \$46,956,958 increased to \$51,584,681 at the 31st December 1972 as follows:

3 Local Companies	\$27,259,733
5 Foreign Companies	\$24,324,948
Total	\$51,584,681

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Real Estate	128,545	2,651,828	2,780,373
Carried Forward	128,545	2,651,828	2,780,373

Particulars	Local Companies	Foreign Companies \$	Total \$
Brought Forward	128,545	2,651,828	2,780,373
Loans on:			
Mortgages on property within Guyana	16,008,602	6,311,261	22,319,863
Stocks and Shares	44,288	33,723	78,011
Policies within their surrender value	4,051,820	4,632,278	8,684,098
Personal Security		52,487	52,487
Other Loans	1,001,521		1,001,521
Deposit with Commissioner of Insurance	756,346	1,269,985	2,026,331
Government of Guyana Securities	1,500,660	2,113,268	3,613,928
Public Corporations and Government Ventures		550,000	550,000
Municipal Securities	495,505	915,836	1,411,341
Shares in Local Business	2,463,402	207,863	2,671,265
Treasury Bills	15,000	364,649	379,649
Cash on Fixed Deposit	105,000	1,433,511	1,538,511
	<u>26,570,689</u>	<u>20,536,689</u>	<u>47,107,378</u>

In addition to these amounts the following assets were held against the funds:—

	Local \$	Foreign \$	Total \$
Net current assets including cash on current accounts and on hand	250,633	664,870	915,503
Foreign Investments	441,878	3,778,091	4,219,969
	<u>692,511</u>	<u>4,442,961</u>	<u>5,135,472</u>

In accordance with subsection (1) of Section 30 of the Insurance Act the minimum amount that is required to be invested in assets in Guyana by Companies carrying on Long-Term Insurance Business is ninety-five percent of the Long-Term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Minimum Requirement	25,896,748	23,108,702	49,005,450
Actual Investments in Guyana	26,570,689	20,525,504	47,096,193
Excess/Deficit	<u>+ 673,941</u>	<u>-2,583,198</u>	<u>-1,909,257</u>

The local companies have therefore invested \$673,941 more than the required minimum locally, while the foreign companies were in deficit by \$2,583,198 resulting in an overall deficit of \$1,909,257. A detailed statement of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30 subsection (3) of the Insurance Act, every insurance company carrying on long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty percent of the annual increase of its Long-term Insurance Fund. The securities so approved have been Government of Guyana 7% debentures and the total investments made in this respect against the increases of the funds were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Increase in Funds	2,189,696	2,438,027	4,627,723
Minimum investment requirement in approved securities	492,223	836,598	1,328,821
Amount actually invested	493,600	695,000	1,188,600
Excess/Deficit	+ 1,377	-141,598	-140,221

Details are shown at Appendix IV.

Investment – Ratio

Of the total reserves of \$51,584,681, 11.5% was held in Government and Municipal Securities, 16.8% in loans to policy holders, 5.2% in local equity and 43.3% in Mortgages. It is felt that companies could profitably vary their traditional pattern of investment and adopt bolder approaches in channelling more funds into industry.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$17,112,879 of which the amount of \$12,272,897 represents

premium income i.e. about 71.7%. The total expenditure amounted to \$12,485,156 and of this amount the sum of \$3,668,000 was in respect of payment of claims i.e. 29.4%. Details of this account are given at Appendix V.

Insurance Business other than Long-Term, or Motor Marine, Aviation, and Transit Insurance Business

Six companies, two local and four foreign carried on this category of business. The two local companies did the bulk of the non-life business as will be seen in the revenue account at Appendix VI.

Revenue Account – Non Long-Term

The receipts of the six companies carrying on non-life business amounted to \$7,244,057 of which the sum of \$6,035,085 was in respect of premiums.

The claim ratio in relation to the premiums received is as follows:—

<u>Companies</u>	Net Premiums	Claims	%
	\$	\$	
Guyana & Trinidad Mutual Fire Insurance Company Limited	3,307,867	1,270,618	38.4
Hand-in-Hand Mutual Fire Insurance Company Limited	1,601,178	148,221	9.2
Colonial Fire and General Insurance Company Limited	23,524	1,075	4.5
Caledonian Insurance Company Limited	86,291	10,223	11.8
Liverpool and London and Globe Insurance Company Limited	855,100	629,882	73.6
New India Assurance Company Limited	161,125	571,499	354.7
	6,035,085	2,631,518	<u>43.6</u>

Details of this account are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by companies carrying on insurance business other than Long-Term. However, the following is a summary of the assets held locally by the two local non-life companies:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Fixed Assets			
Land & Buildings	536,798	836,764	1,373,562
Furniture and Equipment	34,087	173,661	207,748
Investments			
Guyana Government Securities	370,000	1,097,869	1,467,869
Municipal Securities	87,462	209,170	296,632
Shares and other Stock Debentures	689,929	1,093,018	1,782,947
Mortgage Loans	2,019,567	2,844,204	4,863,771
Fixed Deposit	545,000	550,000	1,095,000
Current Assets	254,287	814,095	1,068,382
Total	4,537,130	7,618,781	12,155,911

The total liabilities of these companies comprise:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Reserve for unexpired risks	954,273	1,882,896	2,837,169
Script Capital	1,508,452	1,000,000	2,508,452
Premiums Capital	742,745	637,219	1,379,964
Other Reserves and Provisions	2,041,964	4,251,900	6,293,864
Current Liabilities	663,836	2,567,344	3,231,180
Total	5,911,270	10,339,359	16,250,629

These companies also operate in the West Indies and have off-shore investments to the value of \$3,975,539.

Health Insurance Schemes

Two local companies carried on Health Insurance business. The total income amounted to \$402,080 of which the sum of \$402,047, was in respect of premiums. The total expenditure amounted to \$375,688 and the sum of \$293,587 was paid in claims and benefits. The detailed revenue account is shown at Appendix VII.

Amalgamations and Transfers

No amalgamation or transfer was effected during 1972, nor was there any notice of intention to this effect.

Complaints and Enquiries

A few complaints were received in connection with the delay in payment of policy claims, and the non-payment of claims. Enquiries were also received with regard to the legal requirements for the operation of the insurance industry in Guyana. The complaints were investigated and settled to the satisfaction of all parties concerned while the relevant information was given to those persons making the enquiries.

It was not necessary for the Commissioner to act within the provisions of Section 7(1) of the Insurance Act as an arbitrator in any dispute or difference between an insurer or a policy holder.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision, direction or order of the Commissioner.

Taxation Relating to Insurance

No new legislation regarding taxation on Insurance Companies was introduced during 1972.

Professional Organisations

As intimated in the Annual Report for 1971 the Fire Association as well as the Accident Association were absorbed by the Insurance Association of Guyana. As a result all of the functions of those two organisations were performed by the Insurance Association of Guyana. At the end of 1972 there were, therefore, only two professional Organisations viz. the Insurance Association of Guyana and the Insurance Institute of Guyana.

Miscellaneous

The office of the Commissioner of Insurance was first accommodated in the premises at the Public Buildings, Georgetown, where, like other sections of the Ministry of Finance, the need for space was very pressing. In December, 1972 the entire Ministry was removed to more commodious premises at Main and Urquhart Streets, Georgetown, which was formerly occupied by the Transport and Harbours Department.

Appreciation and Acknowledgement

I wish to place on record my appreciation of the co-operation I received from members of the Insurance Industry during the period under review. My appreciation of the co-operation and assistance of the Secretary to the Treasury and staff is also acknowledged.

P.A. Bender
Commissioner of Insurance

**APPENDIX I
COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA**

Long-term Insurance

**Non-long-term Insurance
excluding Motor Vehicle,
Marine, Aviation and
Transit Insurance.**

<ol style="list-style-type: none"> 1. Demerara Mutual Life Assurance Society Limited. 2. Guyana and Trinidad Mutual Life Insurance Company Limited 3. Hand-in-Hand Mutual Life Insurance Company Limited. <p><u>Foreign:</u></p> <ol style="list-style-type: none"> 4. American Life Insurance Company. 5. British-American Life Insurance Company Limited. 6. Caribbean Atlantic Life Insurance Company Limited. 7. Colonial Life Insurance Company (Trinidad) Limited 8. First Federation Life Insurance Company Limited. 	<ol style="list-style-type: none"> 1. Guyana and Trinidad Mutual Fire Insurance Company Limited. 2. Hand-in-Hand Mutual Fire Insurance Company Limited. 3. Guyana Health Insurance Company 4. Francis DeCaires and Company. 5. Caledonian Insurance Company. 6. Colonial Fire and General Insurance Company Limited. 7. New India Assurance Company Limited. 8. The Liverpool and London and Globe Insurance Company Limited.
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**APPENDIX II
STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE**

<u>Registered Insurance Companies</u>	<u>Amount of Securities</u>	
<u>Companies</u>	<u>Deposited</u>	
<u>Life Companies</u>		
<u>Local</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana and Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	808,000
<u>Foreign</u>		
American Life Insurance Company	250,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	1,270,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana and Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	550,000
<u>Foreign</u>		
Caledonian Insurance Company	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total	<u>\$3,628,000</u>

APPENDIX III
STATEMENT OF LONG-TERM INSURANCE FUND

1972 Insurer	Demerara Mutual Life Assurance Society	Guyana & Trinidad Mutual Life Insurance Company	Hand-in-Hand Mutual Life Insurance Company	Total Local Companies	American Life Insurance Company	British-American Insurance Co. Ltd. at 31/3/73	Colonial Life Ins. Co. (T'd) Limited	Caribbean-Atlantic Life Ins. Co. Ltd.	First Federation Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	12,555,801	12,959,438	1,744,494	27,259,733	5,861,784	3,107,099	10,030,102	3,916,562	1,409,401	51,584,681
Real Property										
Office Building	128,545	—	—	128,545	1,464,574	116,219	56,704	150,310	864,021	2,780,373
Other	—	—	—	—	—	—	—	—	—	—
Furniture & Fixtures	—	—	—	—	30,156	—	—	542	15,106	45,804
Loans On										
Mortgages on property within Guyana	6,790,253	8,401,022	817,327	16,008,602	1,326,268	2,202,573	2,588,109	174,600	19,711	22,319,863
Stocks and Shares	—	—	44,288	44,288	—	—	33,723	—	—	78,011
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	2,480,534	1,488,486	82,800	4,051,820	1,199,442	425,335	2,344,851	576,763	85,887	8,684,098
Personal Security	—	—	—	—	—	—	44,392	—	8,095	52,487
Others	—	1,001,521	—	1,001,521	—	—	—	—	—	1,001,521
Investments										
Deposit with Commissioner of Insurance	248,640	257,706	250,000	756,346	250,000	270,000	250,000	250,000	249,985	2,026,331
Other Government of Guyana Securities	198,320	969,340	333,000	1,500,660	240,576	120,888	1,529,458	222,346	—	3,613,928
Public Corporation and Government Venture	—	—	—	—	250,000	—	300,000	—	—	550,000
Guyana Municipal Securities	252,440	177,320	65,745	495,505	455,000	—	410,836	50,000	—	1,411,341
Shares in Local Businesses	1,910,270	496,875	56,257	2,463,402	147,500	—	60,363	—	—	2,671,265
Treasury Bills	15,000	—	—	15,000	364,649	—	—	—	—	379,649
Cash on Fixed Deposit	50,000	55,000	—	105,000	350,000	443,548	146,625	406,500	86,838	1,538,511
Current Assets	—	—	—	—	—	—	—	159,139	45,821	204,960
Foreign investments (if any)	441,878	—	—	441,878	—	—	1,851,729	1,926,362	—	4,219,969
Cash on current account & on hand	40,388	112,168	98,077	250,633	(11,185)	35,385	413,312	—	22,398	710,543
Total	12,556,268	12,959,438	1,747,494	27,263,200	6,066,980	3,613,948	10,030,102	3,916,562	1,397,802	52,288,654
Total assets invested in Guyana:	12,074,002	12,847,270	1,649,417	26,570,689	6,036,824	3,578,563	7,765,061	1,830,519	1,314,537	47,096,193
95% of Long Term Insurance Fund:	11,928,011	12,311,467	1,657,270	25,896,748	5,568,695	2,951,745	9,528,597	3,720,734	1,338,931	49,005,450
Excess/Deficit:	+ 145,991	+ 535,803	7,853	+ 673,941	+ 468,129	+ 626,818	-1,763,536	-1,890,215	- 24,394	- 1,909,257

APPENDIX IV
STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1972

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins.	Hand-in-Hand Mutual Life Insurance Co. Ltd.	Total Local Companies	American Life Ins. Company	British-American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'dad) Limited	First Federation Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31st December, 1972	12,555,801	12,959,438	1,744,494	27,259,733	5,861,784	3,107,099	3,916,562	10,030,102	1,409,401	51,584,681
1st January, 1972	12,044,015	11,698,712	1,327,310	25,070,037	4,705,170	2,713,462	3,430,489	9,652,668	1,385,132	46,956,958
Increase in Fund	511,786	1,260,726	417,184	2,189,696	1,156,614	393,637	486,073	377,434	24,269	4,627,723
Amount to be invested	*150,512	252,145	*89,566	*492,223	*368,639	78,728	*177,966	*206,411	*4,854	*1,328,821
Amount Invested	140,000	253,600	100,000	493,600	250,000	70,000	75,000	300,000	—	1,188,600
Deficit/Excess	(10,512)	1,455	10,434	1,377	(118,639)	(8,728)	(102,966)	93,589	(4,854)	(140,221)

*Includes deficit for previous year

APPENDIX V
LONG-TERM INSURANCE COMPANIES – REVENUE ACCOUNT – 1972

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins.	Hand-in-Hand Mutual Life Insurance Co. Ltd.	Total Local Companies	American Life Ins. Company	British- American Company	Caribbean Atlantic Life Ins.	Colonial Life Ins. Co. (T'dad)	First Federation Life Ins. Co. Ltd.	Grand Total
<u>INCOME</u>										
Amount of Long-term Insurance Fund at beginning of the year	12,044,015	11,698,712	1,327,310	25,070,037	4,705,170	2,713,462	3,430,489	9,652,668	1,385,132	46,956,958
Adjustment to Fund	—	—	—	—	—	—	—	—	—	—
Premiums (less reinsurance) Consideration for	2,159,303	1,740,653	554,852	4,454,808	2,508,841	1,247,536	1,129,949	1,739,605	1,192,158	12,272,897
Annuities granted	156,535	670,070	71,038	897,643	121,225	—	—	—	—	1,018,868
Interests, dividends and rents	1,225,245	906,194	145,409	2,276,848	325,286	233,053	119,639	558,810	49,154	3,562,790
Other receipts	14,934	148	—	15,082	8,903	—	169,745	199,806	(135,212)	258,324
Total	15,600,032	15,015,777	2,098,609	32,714,418	7,669,425	4,194,051	4,849,822	12,150,889	2,491,232	64,069,837
<u>EXPENDITURE</u>										
Claims:										
Death	203,424	216,415	98,589	518,428	270,181	61,447	164,540	256,651	73,681	1,344,928
Maturities	672,799	536,806	—	1,209,605	47,816	116,900	6,168	789,341	51,902	2,221,732
Other	—	224	593	817	7,565	250	—	4,046	88,662	101,340
Surrenders	548,637	292,930	79,937	921,504	122,162	78,011	150,101	100,353	34,403	1,406,534
Annuities	98,136	175,542	8,220	281,898	868	—	—	—	—	282,766
Bonuses to Policy Holders	26,212	—	—	26,212	114,547	11,724	(2,663)	91,587	5,025	246,432
Commissions	275,484	—	60,248	335,732	523,061	250,223	89,954	405,741	240,538	1,845,249
Expenses of Management	185,825	530,046*	79,156	795,027	197,086	71,583	216,291	—	175,517	1,455,504
Home Office Expenses	—	—	—	—	395,226	218,404	—	485,357	330,906	1,429,893
Taxation	527,798	231,656	22,650	782,104	19,990	—	18,537	—	—	820,631
Other Payments	505,916	72,720	4,722	583,358	109,139	278,410	290,332	(12,289)	81,197	1,330,147
Amount of Long-term Insurance Fund	12,555,801	12,959,438	1,744,494	27,259,733	5,861,784	3,107,099	3,916,562	10,030,102	1,409,401	51,584,681
Total	15,600,032	15,015,777	2,098,609	32,714,418	7,669,425	4,194,051	4,849,822	12,150,889	2,491,232	64,069,837

*Includes Commissions and Salaries -

APPENDIX VI

Insurance Business other than Long-term or Motor, Marine
Aviation and Transit Insurance – Revenue Account 1972

	Guyana & Trinidad Mutual Fire Insurance Co. Ltd.	Hand-in-Hand Mutual Fire Insurance Co. Ltd.	Total Local Companies	Colonial Fire and General Insurance Co. (T'dad) Ltd.	Caledonian Insurance Co. Ltd.	Liverpool & London & Globe Ins. Co. Ltd.	New India Assurance Company Limited	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Amount of Fund at the beginning of the year:								
Reserved for unexpired risks	1,487,210	808,124	2,295,334	5,681	19,752	283,744	54,326	2,658,837
Other Reserves	5,720,508	4,258,756	9,979,264	—	—	—	—	9,979,264
Premiums	3,307,867	1,601,178	4,909,045	23,524	86,291	855,100	161,125	6,035,085
Interests, dividends and rents	622,671	390,701	1,013,372	28,678	—	—	14,953	1,057,003
Profit from the sale of investments	—	—	—	—	—	—	—	—
Other Receipts	249	4	253	—	2,469	140,567	8,680	151,969
Total	11,138,505	7,058,763	18,197,268	57,883	108,512	1,279,411	239,084	19,882,158
Expenditure								
Claims under policies paid and outstanding	1,270,618	148,221	1,418,839	1,075	10,223	629,882	571,499	2,631,518
Expenses of Management:								
Commissions, Salaries	528,320	449,499	977,819	27,675	20,208	147,373	70,309	1,243,384
Others	300,435	—	300,435	—	7,782	4,539	—	312,756
Reinsurance	—	575,531	575,531	—	—	—	—	575,531
Interest or Dividends on script capital	52,500	84,592	137,092	19,530	—	—	—	156,622
Cash Profits	570,676	447,269	1,017,945	(3,286)	35,783	114,988	(469,195)	696,235
Pensions	67,600	8,493	76,093	—	—	—	—	76,093
Taxation	591,111	101,577	692,688	—	—	—	—	692,688
Other Payments	32,106	—	—	3,480	—	40,589	2,020	78,195
Investment Reserves	35,000	11,147	46,147	—	—	—	—	46,147
Reserved for unexpired risks	1,866,172	954,273	1,866,172	9,409	34,516	342,040	64,451	2,316,588
Other Reserves	5,823,967	4,278,161	11,056,401	—	—	—	—	11,056,401
Total	11,138,505	7,058,763	18,197,268	57,883	108,512	1,279,411	239,084	19,882,158

APPENDIX VII
HEALTH INSURANCE BUSINESS
Revenue Account – 1972

Income

	Guyana Health Insurance	Francis De Caires Limited	Total
Premiums	191,671.61	210,376	402,047.61
Other Receipts	33.00	—	33.00
	191,704.61	210,376	402,080.61
Expenditure			
Claims and Benefits	170,762.97	122,825	293,587.97
Commissions	282.37	11,105	11,387.37
Expenses of Management	18,373.45	51,733	70,106.45
Depreciation of Equipment	606.09	—	606.09
Transfer to Profit and Loss Account	1,679.73	24,713	26,392.73
	191,704.61	210,376	402,080.61

REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1973

3rd April, 1982

Cde. H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning and Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Third Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1973.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

**THIRD REPORT
OF THE COMMISSIONER OF INSURANCE
Registration**

No new companies were registered under the Insurance Act during 1973. At the end of 1973 there were sixteen registered companies classified as follows:—

	<u>Local</u>	<u>Foreign</u>	
Long-Term Insurance Business		5	8
Other than Long-Term, Motor Vehicle, Marine, Aviation and Transit Insurance Business	4	4	8
	7	9	16

A list of the registered companies is shown at Appendix I.

The following is a summary of the classes of insurance business carried on by companies registered under the Act:—

<u>Class of business undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-Term insurance i.e. Life, Bond Investment and Non-cancellable sickness and Accident	3	5	8
Property Insurance	2	4	6
Cancellable Group Life Insurance	3	2	5
Accident and Liability Insurance	2	3	5
Cancellable Sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained. No Association of underwriters sought registration during 1973 and therefore none was registered. There were no cancellations of registration during 1973.

Deposits

At the end of 1973 fourteen companies had deposited with the Commissioner of Insurance the sum of three million, six hundred and twenty eight thousand dollars (\$3,628,000) in Government of Guyana debentures. Two companies which transacted Health Insurance business only, were not required to make the deposit. A list of the companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act, and the amount of securities deposited is given at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-term insurance funds amounted to \$56,681,740 at the 31st December 1973 compared to \$51,584,681 at the 31st December 1972 viz:

3 local companies	\$30,276,932
5 foreign companies	\$26,404,808
Total	<u>\$56,681,740</u>

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Real Estate	146,198	2,546,006	2,692,204

Loans on:

Mortgages on property within Guyana	17,216,028	8,289,304	25,505,332
Total Carried Forward	17,362,226	10,835,310	28,197,536

Particulars	Local Companies	Foreign Companies \$	Total \$
Total Brought Forward	17,362,226	10,835,310	28,197,536
Policies within their surrender value	3,842,396	4,890,123	8,732,519
Personal Security		59,864	59,864
Other Loans	979,554		979,554
Deposit with Commissioner of Insurance	756,346	1,270,000	2,026,346
Government of Guyana Securities	2,536,343	3,205,960	5,742,303
Public Corporations and Government Ventures		200,000	200,000
Municipal Securities	551,148	492,190	1,043,338
Shares in Local business	2,965,785	357,863	3,323,648
Treasury Bills	636,502	945,969	1,582,471
Cash on Fixed Deposit	1,275,000	1,386,965	2,661,965
Total	30,905,300	23,644,244	54,549,544

In addition to these amounts the following assets were held against these funds:—

	<u>Local</u> \$	<u>Foreign</u> \$	<u>Total</u> \$
Net current assets including cash on current account and on hand	388,764	720,111	1,108,875
Foreign Investment	37,107		37,107
	<u>425,871</u>	<u>720,111</u>	<u>1,145,982</u>

In accordance with subsection (1) of Section 30 of the Insurance Act the minimum amount that is required to be invested in assets in Guyana by Companies carrying on Long-Term Insurance Business is ninety five per cent of the Long-Term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Minimum Requirement	28,763,087	25,084,569	53,847,656
Actual Investments in Guyana	30,905,300	23,644,244	54,549,544
	<u>+2,142,213</u>	<u>-1,440,325</u>	<u>+ 701,888</u>

It will be observed that the local companies invested \$2,142,213 more than the required minimum, locally, while the foreign companies were in deficit by \$1,440,325. There was, however, an over all increase of \$701,888.

A detailed statement of the Long-Term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30 subsection 3 of the Insurance Act every insurance company carrying on long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana 7% debentures and the total investments made in this respect against the increases of the funds were as follows:—

	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Increase in Funds	3,017,199	2,079,860	5,097,059
Minimum investment require- ment in approved securities	613,952	962,943	1,576,895
Amount actually invested	920,000	1,100,000	2,020,000
Excess/Deficit	+ 306,048	+ 137,057	+ 443,105

A detailed statement of investments in approved securities is given at Appendix IV.

Investment Ratio

Of the total reserves of \$56,681,740 at the 31st December 1973, 15.1% was held in Government and Municipal Securities, 15.4% in loans to policy holders 5.9% in local equity and 45% in mortgages.

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$20,096,884 of which the amount of \$14,520,236 represents premium income i.e. about 72.2%. The total expenditure amounted to \$15,087,918 and of this amount the sum of \$4,358,411 was in respect of payment of claims i.e. 28.9%. Details of this account are given at Appendix V.

**Insurance Business other than Long-Term,
or Motor, Marine, Aviation and Transit
Insurance Business**

This category of business was carried on by six companies, two local, and four foreign, with the bulk of the business going to the two local companies, as can be seen in the revenue account at Appendix VI.

Revenue Account – Non Long-Term

The receipts of the six companies carrying on non-life business amounted to \$8,843,294 of which the sum of \$7,203,600 was in respect of premiums. The claim ration in relation to the premiums received is as follows:

<u>Companies</u>	<u>Net Premiums</u>	<u>Claims</u>	<u>%</u>
Guyana & Trinidad Mutual Fire Insurance Company Limited	3,336,309	2,005,194	60.1
Hand-in-Hand Mutual Fire Insurance Company Limited	1,977,196	64,774	3.3
Colonial Fire and General Insurance Company Limited	283,073	35,721	12.6
Caledonian Insurance Company Limited	214,426	3,764	1.7
Liverpool and London and Globe Insurance Company Limited	1,229,187	870,236	70.9
New India Assurance Company Limited	163,409	175,498	107.4
Total	7,203,600	<u>3,155,187</u>	43.8

Details of this Account are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two local non-life companies:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Fixed Assets			
Land & Buildings	562,222	1,086,427	1,648,649
Furniture and Equipment	33,434	272,815	306,249
Investments			
Guyana Government Securities	424,000	1,082,730	1,506,730
Municipal Securities	108,266	240,624	348,890
Shares and other Stock Debentures	738,247	1,143,083	1,881,330
Mortgage Loans	2,293,074	2,708,623	5,001,697
Guyana Government Treasury Bills	281,801	295,605	577,406
Fixed Deposits	150,000	755,000	905,000
Current Assets	215,178	1,012,743	1,227,921
Total	4,806,222	8,597,650	13,403,872

The total liabilities of these companies comprise:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Reserve for unexpired risks	1,257,048	2,231,573	3,488,621
Script Capital	1,508,452	1,000,000	2,508,452
Premiums Capital	873,749	814,323	1,688,072
Other Reserves and Provisions	2,083,269	4,086,216	6,169,485
Current Liabilities	484,815	3,287,927	3,772,742
	6,207,333	11,420,039	17,627,372

These companies also operate in the West Indies and have off-shore investments to the value of \$5,019,988.

Health Insurance Schemes

Two local companies carried on Health Insurance business during 1973. The total income amounted to \$484,761 of which \$484,715 was in respect of premiums. The total expenditure amounted to \$434,382 of which the sum of \$344,281 was paid in claims and benefits. The detailed revenue account of the Health Insurance Companies is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during 1973, and no notice of such intention was received.

Complaints and Enquiries

The usual complaints regarding the delay in payment of policy claims and the non-payment of claims were received during 1973. The complaints were investigated and settled to the satisfaction of the parties concerned. It was not necessary for the Commissioner to act within the provisions of Section 7(1) of the Insurance Act as an arbitrator in any dispute or difference between an insurer or a policy holder.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision, direction or order of the Commissioner.

Taxation relating to Insurance

No new legislation regarding taxation on Insurance Companies was introduced during 1973.

Professional Organisations

The two professional Organisations viz. the Insurance Association of Guyana and the Insurance Institute of Guyana continued to function during 1973.

Appreciation and Acknowledgement

Finally, I wish to record my appreciation of the co-operation I received from members of the Insurance Industry as a whole, who were always willing to deliberate on matters affecting the industry. I wish also to record my appreciation of the co-operation and assistance of the Secretary to the Treasury and staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance

APPENDIX I
COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA

<u>Long-term Insurance</u>	<u>Non-long-term Insurance excluding Motor Vehicle, Marine, Aviation and Transit Insurance.</u>
1. Demerara Mutual Life Assurance Society Limited.	1. Guyana and Trinidad Mutual Fire Insurance Company Limited.
2. Guyana and Trinidad Mutual Life Insurance Company Limited	2. Hand-in-Hand Mutual Fire Insurance Company Limited.
3. Hand-in-Hand Mutual Life Insurance Company Limited.	3. Guyana Health Insurance Company
	4. Francis DeCaires and Company.
<u>Foreign:</u> 4. American Life Insurance Company.	5. Caledonian Insurance Company.
5. British-American Life Insurance Company Limited.	6. Colonial Fire and General Insurance Company Limited.
6. Caribbean Atlantic Life Insurance Company Limited.	7. New India Assurance Company Limited.
7. Colonial Life Insurance Company (Trinidad) Limited	8. The Liverpool and London and Globe Insurance Company Limited.
8. First Federation Life Insurance Company Limited.	

APPENDIX II
STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities</u>	
<u>Companies</u>	<u>Deposited</u>	
<u>Life Companies</u>		
<u>Local</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana and Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	
<u>Foreign</u>		
American Life Insurance Company	250,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	1,270,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana and Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	550,000
<u>Foreign</u>		
Caledonian Insurance Company	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total	<u>\$3,628,000</u>

APPENDIX III
STATEMENT OF LONG TERM INSURANCE FUND

1973 Insurer	Demerara Mutual Life Assurance Soc.	Guyana & Trinidad Mutual Life Ins.	Hand-in-Hand Mutual Life Insurance Company	Total Local Companies	American Life Ins. Company	British-American Insurance Co. Ltd.	Colonial Life Ins. Co. (Trinidad) Limited	Caribbean Atlantic Life Ins. Company	First Federation Life Ins. Company Limited	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long-Term Insurance Fund	13,362,876	14,547,366	2,366,690	30,276,932	7,248,209	3,681,467	8,939,125	4,571,273	1,964,734	56,681,740
Real Property										
Office Building	128,522	—	—	128,522	1,427,142	114,492	15,375	—	838,687	2,524,218
Other	17,676	—	—	17,676	—	—	—	150,310	—	167,986
Furniture and Fixtures	—	—	—	—	—	—	—	—	15,893	15,893
Loans on										
Mortgages on property within Guyana	6,927,808	9,107,384	1,180,836	17,216,028	1,714,369	2,150,253	4,092,325	285,478	46,879	25,505,332
Stocks and Shares	—	—	—	—	—	—	—	—	—	—
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	2,188,579	1,532,116	121,701	3,842,396	1,333,959	497,726	2,260,142	702,101	96,195	8,732,519
Personal Security	—	—	—	—	—	—	56,219	—	3,645	59,864
Others	876,608	58,658	44,288	979,554	—	—	—	—	—	979,554
Investments:										
Deposit with the Commissioner of Insurance	248,640	257,706	250,000	756,346	250,000	270,000	250,000	250,000	250,000	2,026,346
Other Government of Guyana Securities	481,789	1,596,554	458,000	2,536,343	486,432	220,888	2,085,730	387,910	25,000	5,742,303
Public Corporation and Government Venture	—	—	—	—	200,000	—	—	—	—	200,000
Guyana Municipal Securities	310,521	175,105	65,522	551,148	442,838	—	—	49,352	—	1,043,338
Shares in Local Businesses	2,290,890	618,638	56,257	2,965,785	297,500	—	60,363	—	—	3,323,648
Treasury Bills	15,000	492,675	128,827	636,502	945,969	—	—	—	—	1,582,471
Cash on Fixed Deposit	10,000	1,265,000	—	1,275,000	150,000	425,000	26,625	693,732	91,608	2,661,965
Current Assets	—	—	—	—	—	—	—	486,666	37,496	524,162
Foreign investments (if any)	37,107	—	—	37,107	—	—	—	—	—	37,107
Cash on Current Account and on hand	120,611	206,459	61,694	388,764	—	1,000	92,346	98,570	4,033	584,713
Provision for diminution	—	—	—	—	—	—	—	—	—	—
Total	13,653,751	15,310,295	2,367,125	31,331,171	7,248,209	3,679,359	8,939,125	3,104,119	1,409,436	55,711,419
Total Assets invested in Guyana	13,496,033	15,103,836	2,305,431	30,905,300	7,248,209	3,678,359	8,846,779	2,518,883	1,352,014	54,549,544
95% of Long Term Insurance Fund	12,694,733	13,819,998	2,248,356	28,763,087	6,885,799	3,497,394	8,492,169	4,342,710	1,866,497	53,847,656
Excess/Deficit:	801,300	1,283,838	57,075	2,142,213	362,410	180,965	354,610	(1,823,827)	(514,483)	701,888

APPENDIX IV
STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1973

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Total Local Companies	American Life Insurance Company	British-American Life Insurance Company	Caribbean Atlantic Life Insurance Company	Colonial Life Insurance Company (T'dad) Ltd.	First Federation Life Ins. Company Limited	Total
31st December, 1973	13,362,876	14,547,366	2,366,690	30,276,932	7,248,209	3,681,467	4,571,273	φ8,939,125	1,964,734	56,681,740
1st January, 1973	12,555,801	12,959,438	1,744,494	27,259,733	5,861,784	3,107,099	3,916,562	10,030,102	1,409,401	51,584,681
Increase in Fund	807,075	1,587,928	622,196	3,017,199	1,386,425	574,368	654,711	(1,090,977)	555,333	5,097,059
Amount to be invested	*171,927	317,586	124,439	613,952	*395,924	*123,602	*233,908	*93,589	*115,920	1,576,895
Amount invested	145,000	650,000	125,000	920,000	275,000	100,000	300,000	400,000	25,000	2,020,000
Deficit/Excess	-(26,927)	332,414	561	306,048	(120,924)	(23,602)	66,092	306,411	(90,920)	443,105

φ Long-Term Insurance Fund Adjusted.

* Includes Deficit for previous year.

APPENDIX V
Long-Term Insurance Companies - Revenue Account - 1975

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Insurance Co. Ltd.	Total Local Companies	American Life Ins. Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'dad) Limited	First Fed- Life Ins. Co. Ltd.	Grand Total
INCOME										
Amount of long-term Insurance Fund at beginning of the year	12,555,801	12,959,438	1,744,494	27,259,733	5,861,784	3,107,099	3,916,562	10,030,102	1,409,401	51,584,681
Adjustment to Fund	-	-	-	-	-	88,093	-	-	-	88,093
Premiums (less reinsurance)	2,380,127	2,118,003	681,462	5,179,592	3,593,226	1,428,290	1,097,475	1,995,857	1,225,796	14,520,236
Consideration for Annuities granted	145,882	805,528	120,689	1,072,099	196,055	-	-	-	-	1,268,154
Interests, dividends and rents	1,334,559	977,469	170,776	2,482,804	446,829	297,480	144,186	397,479	45,617	3,814,395
Other receipts	24,774	498	11,717	36,989	5,717	-	111,634	955	338,804	194,099
Total	16,441,143	16,860,936	2,729,138	36,031,217	10,103,611	4,920,962	5,269,857	12,424,383	3,019,618	71,769,658
EXPENDITURE										
Claims:										
Death	480,122	165,958	35,489	681,569	461,777	108,603	364,146	211,305	74,434	1,901,834
Maturities	584,524	537,358	-	1,121,882	102,218	151,093	2,631	912,311	57,480	2,347,615
Other	-	599	593	1,192	7,577	1,250	-	4,440	94,503	108,962
Surrenders	530,856	298,554	58,892	888,302	195,859	73,985	98,961	100,645	52,943	1,410,695
Annuities	44,144	260,920	14,470	319,534	4,198	-	-	700	-	324,432
Bonuses to Policy Holders	-	-	-	-	149,831	16,556	8,632	4,390	6,804	186,213
Commissions	358,952	-	113,260	472,212	785,808	320,529	45,994	451,844	230,065	2,306,452
Expenses of Management	232,278	348,347*	96,658	677,283	350,340	83,823	45,282	-	202,945	1,359,673
Home Office Expense:	-	-	-	-	532,343	167,059	132,938	669,297	274,811	1,776,448
Taxation	254,617	-	38,584	293,201	(1,226)	-	-	-	-	291,975
Other Payments	592,774	701,834	4,502	1,299,110	266,677	316,597	-	1,130,336	60,899	3,073,619
Amount of Long-term Insurance Fund	13,362,876	14,547,366	2,366,690	30,276,932	7,248,209	3,681,467	4,571,273	8,939,125	1,964,734	56,681,740
Total	16,441,143	16,680,936	2,729,138	36,031,217	10,103,611	4,920,962	5,269,857	12,424,383	3,019,618	71,769,658

*Includes Commissions and salaries.

**APPENDIX VII
HEALTH INSURANCE BUSINESS**

Revenue Account – 1973

Income	Guyana Health Insurance Limited	Francis DeCaires Limited	Total
	\$	\$	
Premiums	272,387.59	212,328	484,715.59
Other Receipt	45.50	—	45.50
	272,433.09	212,328	484,761.09
Expenditure			
Claims and Benefits	203,753.47	140,528	344,281.47
Commissions		12,399	12,399.00
Expenses of Management	28,565.53	47,319	75,884.53
Depreciation of Equipment	1,816.31		1,816.31
Transfer to Profit and Loss Account	38,297.78	12,082	50,379.78
	272,433.09	212,328	484,761.09

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1974**

3rd April, 1982.

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning and Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Fourth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1974.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

**FOURTH REPORT
OF THE COMMISSIONER OF INSURANCE**

Registration

The United Security Life Insurance Company Limited was registered on the 27th March 1974 under the Insurance Act 1970 to carry on long-term insurance business in Guyana. This is a foreign company which was incorporated under the Companies Act of the laws of Trinidad and Tobago on 30th July 1963. At the end of 1974 therefore, there were seventeen registered companies classified as follows:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long Term Insurance Business	3	6	9
Other than Long-Term, Motor Vehicle, Marine Aviation, and Transit Insurance Business	4	4	8
	7	10	17

A list of the companies registered to carry on insurance business is shown at Appendix I.

The following is a summary of the classes of insurance business carried on by companies registered under the Act:

<u>Class of business undertaken</u>	<u>Local</u>	<u>Foreign</u>	
Long-Term insurance i.e. Life, Bond Investment and Non-cancellable sickness and Accident	3	6	9
Property Insurance	2	4	6
Cancellable Group Life Insurance	3	2	5
Accident and Liability Insurance	2	3	5
Cancellable sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained.

There were no cancellations of registration during 1974.

Deposits

At the end of 1974 fifteen companies had deposited with the Commissioner of Insurance the sum of four million, one hundred and twenty-eight thousand dollars (\$4,128,000) in Government of Guyana debentures. Two companies which carried on Health Insurance business, were not required to make the deposit. A list of the companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act, and the amount of securities deposited is given at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-Term insurance funds amounted to \$61,973,493 at 31st December, 1974 compared to \$56,688,264 at the the 31st December, 1973, viz.

3 local companies	\$33,458,899
5 foreign companies	\$28,514,594
Total	<u>\$61,973,493</u>

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Real Estate	156,068	3,213,629	3,369,697
Carried forward	156,068	3,213,629	3,369,697

	Local Companies	Foreign Companies \$	Total \$
Brought Forward Loans on:	156,068	3,213,629	3,369,697
Mortgages on property within Guyana	18,801,425	9,303,206	28,104,631
Policies within their surrender value	4,516,145	4,781,553	9,297,698
Personal Security		39,392	39,392
Other Loans	288,853	376,426	665,279
Deposit with Commissioner of Insurance	756,346	1,270,000	2,026,346
Government of Guyana Securities	3,436,098	4,334,245	7,770,343
Public Corporations and Government Ventures		350,000	350,000
Municipal Securities	559,369	856,201	1,415,570
Shares in Local Business	3,243,978	588,118	3,832,096
Treasury Bills	2,492,118	1,819,900	4,312,018
Cash on Fixed Deposit	504,000	892,321	1,396,321
Total	34,754,400	27,824,991	62,579,391

In addition to these amounts the following assets were held against these funds:

	<u>Local</u>	<u>Foreign</u>	
	\$	\$	\$
Net current assets including cash on current account and on hand	223,386	2,083,796	2,307,182

In accordance with Section 30 subsection (1) of the Insurance Act the minimum amount that is required to be invested in assets in Guyana by companies carrying on Long-Term Insurance Business is ninety-five percent of the Long-Term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Minimum Requirement	31,785,954	27,088,865	58,874,819
Actual Investments in Guyana	34,754,400	27,824,991	62,579,391
	<u>+2,968,446</u>	<u>+ 736,126</u>	<u>+3,704,572</u>

The local companies therefore invested \$2,968,446 more than the required minimum, while the foreign companies invested \$736,126 more, resulting in an overall increase of \$3,704,572.

A detailed statement of the Long-Term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30 subsection (3) of the Insurance Act, every insurance company carrying on long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-Term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this respect against the increases of the funds are as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	\$
	\$	\$	\$
Increase in Funds	3,175,443	2,109,786	5,285,229
Minimum Investment requirement in approved securities	662,015	847,583	1,509,598
Amount actually invested	974,850	1,025,000	1,999,380
Excess/Deficit	+ 312,365	+ 177,417	+ 489,782

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$61,973,493 at the 31st December, 1974, 21.8% was held in Government and Municipal Securities, 15.0% in loans to policy holders, 6.2% in local equity and 45.3% in mortgages.

Revenue Accounts

The total income of the companies in respect of their long-term insurance business done in Guyana amounted to \$22,410,382 of which the amount of \$16,991,826 represents premium income i.e. 75.8%. The total expenditure amounted to \$17,125,153 and of this amount the sum of \$4,912,333 was in respect of payment of claims i.e. 28.7%. Details of this account are given at Appendix V.

Insurance Business other than Long-Term, or Motor, Marine, Aviation, and Transit Insurance Business

Six companies two local and four foreign carried on this category of insurance business during 1974. As can be seen in the Revenue Account at Appendix VI, the two local companies did most of the business in this field of insurance.

Revenue Account – Non Long Term

The receipts of the six companies carrying on non-life business during 1974 amounted to \$10,405,611 of which the sum of \$8,459,694 was in respect of premiums. The claim ratio in relation to the premiums received is as follows:—

<u>Companies</u>	<u>Net Premiums</u>	<u>Claims</u>	
	\$	\$	
Guyana and Trinidad Mutual Fire Insurance Company Limited	4,250,086	1,981,397	46.6
Hand-in-Hand Mutual Fire Insurance Company Limited	1,979,536	109,563	5.5
Colonial Fire and General Insurance Company Limited	316,399	27,822	8.8
Caledonian Insurance Company Limited	302,975	3,735	1.2
Liverpool and London and Globe Insurance Company Limited	1,340,195	1,153,277	86.0
New India Assurance Company Limited	270,503	1,817,656	671.9
Total	8,459,694	5,093,450	60.2

Details of this account are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two local non-life companies:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Fixed Assets			
Land and Buildings	566,222	1,194,486	1,760,708
Furniture and Equipment	39,372	422,331	461,703
Investments			
Guyana Government Securities	424,000	1,237,616	1,661,616
Municipal Securities	105,003	236,256	341,259
Shares and other Stock Debentures	747,962	1,129,022	1,876,984
Mortgage Loans	2,642,513	3,433,644	6,076,157
Guyana Government Treasury Bills	202,255	960,650	1,162,905
Fixed Deposits	100,000	413,411	513,411
Current Assets	314,417	869,642	1,184,059
Total	5,141,744	9,897,058	15,038,802

The total liabilities of these companies comprise:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Reserve for unexpired risks	1,299,292	2,509,298	3,808,590
Script Capital	1,508,452	1,000,000	2,508,452
Premiums Capital	893,265	823,997	1,717,262
Other Reserves and Provisions	2,303,176	5,266,047	7,569,223
Current Liabilities	697,482	4,266,962	4,964,444
	6,701,667	13,866,304	20,567,971

These companies also operate in the West Indies and have offshore investments to the value of \$5,333,169.

Health Insurance Schemes

Two local companies carried on Health Insurance business during 1974. The total income amounted to \$509,588 of which the sum of \$508,128 was in respect of premiums. The total expenditure amounted to \$452,378 and the sum of \$358,879 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during the period under review nor has there been any notice of intention to this effect.

Complaints and Enquiries

During the period under review the Government of Dominica, through the Ministry of Foreign Affairs, requested information concerning deposits and share capital required by Insurance Companies operating in Guyana. The relevant information was supplied through the Ministry of Foreign Affairs. Six complaints were also received in connection with:—

- (a) the delay in payment of policy claims;
- (b) The non payment of claims;
- (c) breaches or clarification of contractual rights and obligations.

The complaints were duly investigated and settled to the satisfaction of all parties concerned.

It was not necessary for the Commissioner to act within the provisions of Section 7(1) of the Insurance Act as an arbitrator in any dispute or difference between an insurer or policy holder.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision or order of the Commissioner.

Pension Funds

During 1974 the supervision and investments of established pension funds engaged the attention of the Administration, and guidelines were established whereby pension funds relating to Guyana workers were repatriated for investment locally.

Professional Organisations

At 31st December, 1974 there were only two professional Organisations in Guyana viz the Insurance Association of Guyana and the Insurance Institute of Guyana.

Appreciation and Acknowledgement

Finally, I wish to record my appreciation of the co-operation accorded me by members of the Insurance Industry. My appreciation of the co-operation of the Secretary to the Treasury and staff is also acknowledged.

P.A. Bender
Commissioner of Insurance.

**APPENDIX I
COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA**

<u>Long-term Insurance</u>	<u>Non-long-term Insurance excluding Motor Vehicle, Marine, Aviation and Transit Insurance.</u>
<u>Local</u>	
1. Demerara Mutual Life Assurance Society Limited.	1. Guyana and Trinidad Mutual Fire Insurance Company Limited.
2. Guyana and Trinidad Mutual Life Insurance Company Limited	2. Hand-in-Hand Mutual Fire Insurance Company Limited.
3. Hand-in-Hand Mutual Life Insurance Company Limited.	3. Guyana Health Insurance Company
	4. Francis DeCaires and Company.
<u>Foreign:</u>	5. Caledonian Insurance Company.
4. American Life Insurance Company.	6. Colonial Fire and General Insurance Company Limited.
5. British-American Life Insurance Company Limited.	7. New India Assurance Company Limited.
6. Caribbean Atlantic Life Insurance Company Limited.	8. The Liverpool and London and Globe Insurance Company Limited.
7. Colonial Life Insurance Company (Trinidad) Limited	
8. First Federation Life Insurance Company Limited.	
9. United Security Life Insurance Company Limited.	

**APPENDIX II
STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE**

<u>Registered Insurance Companies</u> <u>Companies</u>	<u>Amount of Securities</u> <u>Deposited</u>	
<u>Life Companies</u>		
<u>Local</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana and Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	808,000
<u>Foreign</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,770,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana and Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	550,000
<u>Foreign</u>		
Caledonian Insurance Company	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assuranc Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total	<u>4,128,000</u>

APPENDIX III
Statement of Long Term Insurance Fund

1974 Insurer	Demerara Mutual Life Ass. Society	Guyana and T'bad Mut. Life Ins. Company	Hand-in-Hand Mutual Life Insurance Company	Total Local Companies	American Life Insurance Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. (T'bad) Limited	First Federation Life Ins. Company	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	14,213,108	16,134,445	3,111,346	33,458,899	8,929,651	4,168,731	5,159,040	7,988,224	2,268,948	61,974,494
Real Property										
Office Building	137,463	-	-	137,463	1,389,149	112,765	-	204,840	794,745	2,658,952
Other	18,605	-	-	18,605	-	-	150,310	561,840	-	730,745
Furniture and Fixtures	-	-	-	-	60,581	-	-	13,835	14,980	89,399
Loans On										
Mortgages on property within Guyana	7,638,032	9,569,249	1,594,144	18,801,425	1,894,345	2,208,422	202,242	4,964,783	44,444	28,104,631
Stocks and Shares	-	-	-	-	-	-	-	-	-	-
Life Interests and Reversions	-	-	-	-	-	-	-	-	-	-
Policies within the surrender value	2,665,525	1,676,775	173,845	4,516,145	1,490,641	581,138	861,792	1,768,858	79,124	9,297,698
Personal Security	-	-	-	-	-	-	-	36,747	2,655	39,392
Others	184,604	59,961	44,288	288,853	-	-	-	376,426	-	665,279
Investments:										
Deposit with Commissioner of Insurance	248,640	257,706	250,000	756,346	250,000	270,000	250,000	250,000	250,000	2,026,346
Other Government of Guyana Securities	539,488	2,273,610	623,000	3,436,098	927,983	420,888	799,644	2,085,730	100,000	7,770,343
Public Corporations and Govt. Ventures	-	-	-	-	150,000	-	200,000	-	-	350,000
Municipal Securities	284,031	160,067	115,271	559,369	425,443	-	47,770	482,988	-	1,415,570
Shares in Local Businesses	2,498,115	678,169	67,694	3,243,978	527,755	-	-	60,363	-	3,832,096
Treasury Bills	-	2,102,579	189,539	2,492,118	1,267,400	552,500	-	-	-	4,312,018
Cash on Fixed Deposits	-	494,000	10,000	504,000	150,000	-	620,780	26,625	94,946	1,396,321
Current Assets (debts, etc.)	-	-	-	-	384,306	-	463,119	654,484	25,342	1,507,340
Foreign Investments (if any)	-	-	-	-	-	-	-	-	-	-
Cash on Current Account and on Hand	48,465	126,067	48,854	223,386	11,955	23,018	107,808	417,256	16,329	799,842
Total Assets	14,262,968	17,598,183	3,116,935	34,977,786	8,929,651	4,168,731	3,703,535	11,783,754	1,412,495	64,975,972
Total Assets invested in Guyana	14,214,503	17,472,116	3,067,781	33,754,400	8,473,716	4,145,713	3,132,548	10,718,180	1,355,884	62,579,391
95% of Long Term Insurance Fund	13,502,453	15,427,722	2,955,779	31,785,954	8,484,169	3,960,295	4,904,088	7,588,814	2,155,500	58,874,819
Excess/Deficit	712,050	2,144,394	112,002	2,968,446	(10,453)	183,418	(1,768,550)	3,129,467	(799,656)	3,704,572

APPENDIX IV

STATEMENT OF INVESTMENT IN APPROVED SECURITIES - 1974

Long Term Insurance Fund	Demerara Mutual Life Ass. Co. Ltd.	Guyana and T'dad Mut. Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Insurance Co. Ltd.	Total Local Companies	American Life Insurance Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. (T'dad.) Limited	First Federation Life Ins. Company	Grand Total
December 31st 1974	14,213,108	16,134,445	3,111,346	33,458,899	8,929,651	4,168,731	5,159,040	7,988,224	2,268,948	61,973,493
January 1st 1974	13,362,876	14,553,890 ^φ	2,366,690	30,283,456	7,248,209	3,681,467	4,571,273	8,939,125	1,964,734	56,688,264
Increase in Fund	850,232	1,580,555	744,656	3,175,443	1,681,442	487,264	587,767	(950,901)	304,214	5,285,229
Amount to be invested	* 196,973	316,111	148,931	662,015	* 457,212	121,055	117,553	—	* 151,763	1,509,598
Amount Invested	70,000	739,380	165,000	974,380	350,000	200,000	400,000	—	75,000	1,999,380
Deficit/Excess	(126,973)	423,269	16,069	312,365	(107,212)	78,945	282,447	—	(76,763)	489,782

* Includes deficit of previous year.

^φ Long-Term Insurance Fund adjusted.

APPENDIX V

Long-Term Insurance Companies -- Revenue Account -- 1974

1974	Demerara Mutual Life Ass.	Guyana and T'dad Mut. Life Ins.	Hand-in-Hand Mutual Life Insurance	Total Local Companies	American Life Insurance Company	British American Life Ins.	Caribbean Atlantic Life Ins.	Colonial Life Ins. (T'dad.)	First Federation Life Ins.	Grand Total
INCOME										
Amount of long-term Insurance Fund at beginning of the year	13,362,876	14,547,366	2,366,690	30,276,932	7,248,209	3,681,467	4,571,273	8,939,125	1,964,734	56,681,740
Adjustment to Fund	--	6,524	--	6,524	--	--	--	--	--	6,524
Premiums (less reinsurance)	2,951,711	2,487,314	1,075,347	6,514,372	4,301,341	1,641,871	1,011,619	2,252,957	1,269,666	16,991,826
Consideration for Annuities granted	87,056	849,885	--	936,941	126,152	--	--	--	--	1,063,093
Interests, dividends and rents	1,415,285	1,077,134	224,870	2,717,289	460,317	339,369	149,126	351,066	47,812	4,064,979
Other receipts	98,490	1,593	2,891	102,974	--	--	542	263	186,705	290,484
Total	17,915,418	18,969,816	3,669,798	40,555,032	12,136,019	5,662,707	5,732,560	11,543,411	3,468,917	79,098,646
EXPENDITURE										
Claims:	--	--	--	--	--	--	--	--	--	--
Death	482,291	224,070	87,112	793,473	397,809	129,355	159,370	400,880	64,792	1,945,679
Maturities	734,008	609,100	--	1,343,108	240,974	191,720	18,206	978,736	97,727	2,870,471
Other	1,518	2,133	593	4,244	1,022	2,056	--	4,940	83,921	96,183
Surrenders	396,334	353,230	85,182	834,746	255,596	101,453	97,943	715,029	83,930	2,088,697
Annuities	124,314	368,730	29,061	522,105	50,119	--	--	519	--	572,743
Bonuses to Policy Holders	--	--	--	--	187,965	20,760	1,995	49,924	2,174	262,818
Commissions	435,580	517,858	147,351	1,100,789	956,850	364,085	35,599	660,551	222,625	3,340,499
Expenses of Management	253,301	340,979	104,172	698,452	448,174	75,135	36,507	--	215,572	1,473,840
Home Office Expenses	--	--	--	--	645,029	175,522	69,402	607,344	233,075	1,730,372
Taxation	770,857	254,243	100,479	1,125,579	12,195	--	--	--	--	1,137,774
Other Payments	504,107	165,028	4,502	673,637	10,635	433,890	154,498	137,264	196,153	1,606,077
Amount of Long-term Insurance Fund	14,213,108	16,134,445	3,111,346	33,458,899	8,929,651	4,168,731	5,159,040	7,988,224	2,268,948	61,973,493
Total	17,915,418	18,969,816	3,669,798	40,555,032	12,136,019	5,662,707	5,732,560	11,543,411	3,468,917	79,098,646

APPENDIX VI

Insurance Business other than Long-term or Motor, Marine

Aviation and Transit Insurance - Revenue Account 1974

1974	Cuyana and Trinidad Mut. Fire Insurance Co. Ltd.	Hand-in-Hand Mut. Fire Ins. Co. Ltd.	Total Local Companies	Colonial Fire & General Ins. Co. (Trinidad) Ltd.	Caledonian Insurance Co. Ltd.	Liverpool & London & Globe Ins. Co. Ltd.	New India Assurance Company Limited	Grand Total
INCOME								
Amount of fund at the beginning of the year	—	—	—	—	—	—	—	—
Reserve for unexpired risks	2,212,762	1,257,048	3,469,810	20,993	85,770	491,675	65,364	4,133,612
Other Reserves	6,683,794	4,450,470	11,134,264	—	—	—	—	11,134,264
Premiums	4,250,086	1,979,536	6,229,622	316,399	302,975	1,340,195	270,503	8,459,694
Interests, dividends and rents	766,340	470,863	1,237,203	—	—	—	—	1,237,203
Profit from the sale of investments	—	189,962	189,962	12,040	—	—	—	202,002
Other Receipts	95	2,765	2,860	61,938	(47,932)	477,174	12,672	506,712
TOTAL	14,913,077	8,350,644	22,263,721	411,370	340,813	2,309,044	348,539	25,673,487
EXPENDITURE								
Claims under policies paid and outstanding	1,981,397	109,563	2,090,960	27,822	3,735	1,153,277	1,817,656	5,093,450
Expenses of Management	—	—	—	—	—	—	—	—
Commissions, Salaries	672,056	351,330	1,023,386	18,400	74,869	510,261	76,900	1,733,816
Others	487,371	327,331	814,702	8,139	25,590	—	—	848,431
Remuneration	—	842,218	842,218	246,754	—	—	—	1,088,972
Interest Dividends on script capital	55,500	84,592	140,092	—	—	—	—	140,092
Cash Profits	1,189,026	186,117	1,575,143	—	—	24,482	(1,075,467)	(75,442)
Pensions	37,191	8,481	45,672	—	—	—	—	45,672
Taxation	827,994	251,827	1,079,821	4,027	—	85,046	—	1,168,894
Other Payments	1,893,419	—	1,893,419	—	115,429	—	21,249	2,030,097
Investment Reserves	45,543	—	45,543	—	—	—	—	45,543
Reserve for unexpired risks	2,488,383	1,299,292	3,787,675	34,147	121,190	536,078	108,201	4,587,291
Other Reserves	4,508,108	4,689,893	9,198,001	—	—	—	—	9,198,001
TOTAL	14,186,588	8,350,644	22,537,232	369,289	340,813	2,309,044	348,539	25,904,917

APPENDIX VII

HEALTH INSURANCE BUSINESS

REVENUE ACCOUNT – 1974

Income:

	Guyana Health Insurance Limited	Francis De Caires Limited	Total
	\$	\$	\$
Premiums	266,324.87	241,804	508,128.87
Other Receipt	1,460.00	—	1,460.00
	267,784.87	241,804	509,588.87
Expenditure:			
Claims and Benefits	182,096.57	176,783	358,879.57
Commissions		19,161	19,161.00
Expenses of Management	36,622.91	36,017	72,639.91
Depreciation of Equipment	1,698.22		1,698.22
Transfer to Profit and Loss Account	47,367.17	9,843	57,210.17
	267,784.87	241,804	509,588.87

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1975**

3rd April, 1982.

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning and Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Fifth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1975.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

**FIFTH REPORT
OF THE COMMISSIONER OF INSURANCE**

Registration

With effect from 20th August, 1975 the registration of the Caledonian Insurance Company Limited was cancelled and the insurance business carried on in Guyana by that Company was transferred to the Guardian Royal Exchange Assurance Limited. The Guardian Royal Exchange Assurance Limited was accordingly registered to carry on the business of Accident and Liability not including Motor-vehicle, Marine, Aviation and Transit Insurance, and Property Insurance. At 31st December 1975, therefore there were seventeen registered companies classified as follows:

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance Business	3	6	9
Other than Long-term, Motor Vehicle, Marine, Aviation and Transit Insurance Business	4	4	8
	7	10	<u>17</u>

A list of the companies registered to carry on insurance business is shown at Appendix I.

The following is a summary of the classes of insurance business carried on by companies registered under the Act:

Class of business undertaken	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term insurance i.e. Life, Bond Investment and Non-Cancellable sickness and Accident	3	6	9
Property Insurance	2	4	6
Cancellable Group Life	3	2	5
Accident and Liability Insurance	2	3	5
Cancellable sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained.

Deposits

At 31st December 1975 fifteen companies had deposited with the Commissioner of Insurance the sum of four million, one hundred and twenty eight thousand dollars (4,128,000) in Government of Guyana debentures. Two companies which carried on Health Insurance business were not required to make the deposit. A list of the companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act, and the amount of securities deposited is shown at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-term insurance funds amounted to \$67,268,831 at 31st December 1975 compared to \$61,973,493 at 31st December, 1974, viz.

3 local companies	\$37,605,496
5 foreign companies	\$29,663,335
Total	<u>\$67,268,831</u>

The amounts invested in Guyana against these funds were as follows:—

Particulars	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	
Real Estate	218,607	1,704,397	1,923,004
Loans on:			
Mortgages on property within Guyana	22,417,460	8,284,423	30,701,883
Policies within their Surrender value	4,510,401	4,802,004	9,312,405
Personal Security		20,729	20,729
Other Loans	1,053,432	373,668	1,427,100
Deposit with Commissioner of Insurance	756,346	1,520,000	2,276,346
Government of Guyana Securities	4,146,402	4,978,292	9,124,694
Public Corporations and Government Ventures	350,000	375,000	725,000
Municipal Securities	681,877	1,096,888	1,778,765
Shares in local businesses	3,525,449	545,578	4,071,027
Treasury Bills	3,256,263	2,784,715	6,040,978
Cash on Fixed Deposit	492,750	843,170	1,335,920
Total	41,408,987	27,328,864	68,737,851

In addition to these amounts the following assets were held against these funds:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	\$	\$	\$
Net current assets including cash on current account and on hand	399,918	2,456,261	2,856,179
Foreign Investments	858,334		858,334
	<u>1,258,252</u>	2,456,261	3,714,513

In accordance with Section 30 Subsection (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by companies carrying on Long-term Insurance Business is ninety-five per cent of the Long-term Insurance Fund. The minimum

investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Minimum Requirement	35,725,223	28,180,170	63,905,393
Actual Investments in Guyana	41,408,987	27,102,941	68,511,928
	<u>+5,683,764</u>	<u>-1,077,229</u>	<u>+4,606,535</u>

The local companies therefore invested \$5,683,764 more than the required minimum, while the foreign companies were in deficit by \$1,077,229, resulting in an overall increase of \$4,606,535.

A detailed statement of the Long-term Insurance Funds of registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under the provisions of Section 30 subsection (3) of the Insurance Act, every insurance company carrying on long-term insurance business in Guyana is required to invest in Securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this respect against the increases of the funds are as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	\$
	\$	\$	\$
Increase in funds	4,146,597	3,087,083	7,233,670
Minimum Investment requirement in approved securities	956,292	617,435	1,573,727
Amount actually invested	1,267,920	701,100	1,969,020
Excess/Deficit	+ 311,628	+ 83,665	+ 395,293

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$67,268,831 at the 31st December 1975, 16.2% was held in Government and Municipal Securities, 13.8% in loans to policy holders 6.0% in local equity and 45.6% in mortgages.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$24,745,817 of which the amount of \$17,666,741 represents premium income i.e. 71.4%. The total expenditure amounted to \$17,495,818 and of this amount the sum of \$5,686,787 was in respect of payment of claims i.e. 32.5%. Details of this account are given at Appendix V.

Insurance Business other than Long-Term, or Motor Marine, Aviation and Transit Insurance Business

Two local companies and four foreign companies carried on this category of insurance business during 1975. The two local companies did the bulk of the non life business as can be seen in the Revenue Account at Appendix VI.

Revenue Account – Non Long-Term

The receipts of the six companies carrying on non-life business during 1975 amounted to \$14,337,792 of which the sum of \$10,795,525 was in respect of premiums. The claim ratio in relation to the premiums received is as follows:—

<u>Companies</u>	<u>Net Premiums</u> \$	<u>Claims</u> \$	
Guyana and Trinidad Mutual Fire Insurance Company Limited	5,247,460	2,837,806	54.1
Hand in Hand Mutual Fire Insurance Co. Ltd.	2,431,225	428,586	17.6
Colonial Fire and General Insurance Company Limited	377,171	40,748	10.8
Caledonian Insurance Company Limited	207,936	96,345	41.5
Liverpool and London and Globe Insurance Company Limited	2,345,412	1,575,508	67.2
New India Assurance Company Limited	186,321	1,122,661	602.5
Total	<u>10,795,525</u>	<u>6,101,654</u>	<u>56.5</u>

Details of this account are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by Companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two non-life companies:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Fixed Assets			
Land and Buildings	562,222	1,154,401	1,716,623
Furniture and Equipment	38,463	475,061	513,524
Investments			
Guyana Government Securities	419,000	1,561,003	1,980,003
Municipal Securities	100,713	265,643	366,356
Shares and other Stock Debentures	773,719	1,144,053	1,917,772
Mortgage Loans	2,509,914	4,267,045	6,776,959
Guyana Government Treasury Bills	59,366	1,066,479	1,125,845
Fixed Deposits	284,205	148,632	432,837
Current Assets	1,020,491	1,148,138	2,168,629
	<u>5,768,093</u>	<u>11,230,455</u>	<u>16,998,548</u>

The total liabilities of these companies comprise:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Total
	\$	\$	\$
Reserve for unexpired risks	1,740,174	2,892,723	4,632,897
Script Capital	1,508,452	1,000,000	2,508,452
Premiums Capital	761,326	679,212	1,440,538
Other Reserves and provisions	2,273,186	5,318,930	7,592,116
Current Liabilities	359,291	5,184,727	5,544,018
	<u>6,642,429</u>	<u>15,075,592</u>	<u>21,718,021</u>

These companies also operate in the West Indies and have off shore investments to the value of \$3,845,137.

First Federation Life Insurance Company Limited

The First Federation Life Insurance Company Limited which was incorporated in the Bahamas and carried on Industrial Life Insurance business in Guyana and other West Indian Territories ran into financial difficulties, and the liquidation of the Company seemed imminent. While most of the assets are in Guyana and the Guyana operations seem to have been the best amongst the other territories, the Life Insurance Fund at the end of 1975 was in deficit by about G\$1.5M.

Health Insurance Schemes

Two local companies carried on Health Insurance business during 1975. The total income amounted to \$599,553 of which the sum of \$597,991 was in respect of premiums. The total expenditure amounted to \$519,635 of which the sum of \$406,040 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation & Transfers

No amalgamation was effected during 1975 but as mentioned previously, the Caledonian Insurance Company Limited transferred its business to the Guardian Royal Exchange Assurance Limited with effect from 20th August 1975.

Complaints and Enquiries

The Secretariat of the United Nations Conference on Trade and Development requested information concerning National Insurance Companies to be used in the preparation of a study on liability and insurance in multimodal transport. The relevant information was supplied through the Ministry of Foreign Affairs. Seven complaints were received in connection with:—

- (a) breaches or clarification of contractual rights or obligations;
- (b) delay in payment of policy claims;
- (c) refusal to grant mortgage;
- (d) non-payment of salaries to agents.

The complaints were investigated and settled to the satisfaction of the parties concerned.

It was not necessary for the Commissioner to act within the provisions of Section 7(1) of the Insurance Act as an arbitrator in any dispute or difference between an insurer or policy holder.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision or order of the Commissioner.

Regional co-operation for the development of the Insurance Industry

The Standing Committee of Ministers of Finance decided at their third meeting held in Barbados on 3rd May, 1975 that a Working Party should be established comprising one

APPENDIX V
LONG-TERM INSURANCE COMPANIES – REVENUE ACCOUNT – 1975

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mut. Life Ins. Co.	Hand-in- Hand Mut. Life Ins. Co. Ltd.	Total Local Companies	American Life Ins. Co. Ltd.	British- American Ins. Co.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'ndad) Ltd.	United Security Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME										
Amount of Long-Term Insurance Fund at beginning of the year	14,213,108	16,134,445	3,111,346	33,458,899	8,929,651	4,168,731	5,159,040	7,988,224	330,616	60,035,161
Adjustment to Fund	—	—	—	—	—	—	—	(16,329)	—	(16,329)
Premiums (Less Reinsurance)	3,194,322	2,908,491	1,184,266	7,287,079	5,043,295	1,784,003	869,198	2,583,430	99,736	17,666,741
Consideration for Annuities Granted	80,880	1,027,130	—	1,108,010	346,795	—	—	1,354	—	1,456,159
Interests, dividends and rents	1,541,374	1,902,627	301,857	3,745,858	551,620	439,522	168,824	436,056	6,605	5,348,485
Other Receipts	160,813	1,415	7,462	169,690	—	—	104,475	267	—	274,432
TOTAL	19,190,497	21,974,108	4,604,931	45,769,536	14,871,361	6,392,256	6,301,537	10,993,002	436,957	84,764,649
EXPENDITURE										
Claims:										
Death	748,937	376,516	113,008	1,238,461	476,472	211,427	219,314	469,200	2,000	2,616,874
Maturities	579,542	1,071,460	—	1,651,002	311,579	273,922	46,316	751,440	6,435	3,040,694
Other	1,443	19,720	—	21,163	4,593	253	36	2,939	235	29,219
Surrenders	428,115	441,092	138,204	1,007,411	463,542	121,642	131,835	295,559	5,502	2,025,491
Annuities	41,362	384,142	—	425,504	16,023	—	—	1,761	—	443,288
Bonuses to Policy Holders	—	—	—	—	223,313	27,670	2,699	31,329	—	285,011
Commissions	525,700	597,211	151,316	1,274,227	1,010,204	393,900	29,200	678,709	31,859	3,418,099
Expenses of Management	863,772	303,230	128,876	1,295,878	696,462	241,549	45,315	150,550	20,772	2,450,526
Home Office Expenses	—	—	—	—	800,834	202,448	104,471	594,371	19,652	1,721,776
Taxation	350,261	173,658	109,090	633,009	69,164	—	—	—	—	702,173
Other Payments	329,852	287,533	—	617,385	95,249	252,471	131,587	—	—	1,096,692
Revaluation and Adjustments	—	—	—	—	(334,025)	—	—	—	—	(334,035)
Amount of Long-Term Insurance Fund	15,321,513	18,319,546	3,964,437	37,605,496	11,037,951	4,666,974	5,590,764	8,017,144	350,502	67,268,831
Total	19,190,497	21,974,108	4,604,931	45,769,536	14,871,361	6,392,256	6,301,537	10,993,002	436,957	84,764,649

APPENDIX IV
STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1975

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins.	Hand-in-Hand Mut. Life Ins. Co. Ltd.	Total Local Companies	American Life Ins. Company Limited	British-American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'dad) Limited	First Federation Life Ins. Company	United Security Life Ins. Co. Ltd.	Grand Total
31st December, 1975	15,321,513	18,319,546	3,964,437	37,605,496	11,037,951	4,666,974	5,590,764	8,017,144	—	350,502	67,268,831
1st January, 1975	14,213,108	16,134,445	3,111,346	33,458,899	8,929,651	4,168,731	5,159,040	7,988,224	—	330,616	60,035,161
Increase in Fund	1,108,405	2,185,101	853,091	4,146,597	2,108,300	498,243	431,724	28,920	—	19,886	7,233,670
Amount to be invested	* 348,654	437,020	170,618	956,292	421,660	99,649	86,365	5,784	—	3,977	1,573,727
Amount invested	250,000	792,920	225,000	1,267,920	350,000	—	100,000	251,100	—	—	1,969,020
Deficit/Excess	(98,654)	355,900	54,382	311,628	(71,660)	(99,649)	13,635	245,316	—	(3,977)	395,293

*Includes deficit of previous year.

APPENDIX III
Statement of Investment - Long Term Insurance Fund

1975	Demerara Mutual Life Assurance Society	Guyana and Trinidad Mutual Life Insurance Company	Hand-in-Hand Mutual Life Insurance Company	Total Local Companies	American Life Insurance Company	British American Life Ins. Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Insurance Company (Trinidad) Ltd.	United Security Life Ins. Co. Ltd.	Grand Total
Long Term Insurance Fund	15,321,513	18,319,546	3,964,437	37,605,496	11,037,951	4,666,974	5,590,764	8,017,144	350,502	67,268,831
Real Property										
Office Building	218,607	-	-	218,607	1,351,556	111,031	-	-	-	1,681,194
Other	-	-	-	-	-	-	150,310	91,500	-	241,810
Furniture and Fixtures	-	-	-	-	-	-	-	12,124	-	12,124
Loans on										
Mortgages on property within Guyana	9,677,239	10,562,481	2,177,740	22,417,460	2,432,878	2,745,380	102,187	3,002,645	1,333	30,701,883
Stocks and Shares	-	-	-	-	-	-	-	-	-	-
Life Interests and Reversions	-	-	-	-	-	-	-	-	-	-
Policies within the surrender value	2,535,238	1,754,767	220,396	4,510,401	1,493,801	608,669	960,399	1,690,984	48,151	9,312,405
Personal Security	-	-	-	-	-	-	-	20,729	-	20,729
Others	983,035	70,397	-	1,053,432	-	-	-	373,668	-	1,427,100
Investments										
Deposit with Commissioner of Insurance	248,640	257,706	250,000	756,346	500,000	270,000	250,000	250,000	250,000	2,276,346
Other Government of Guyana Securities	507,663	2,912,989	725,750	4,146,402	1,245,601	427,915	1,127,946	2,136,830	40,000	9,124,694
Public Corporations & Govt. Ventures	250,000	-	100,000	350,000	75,000	-	300,000	-	-	725,000
Municipal Securities	282,395	284,482	115,000	681,877	738,602	-	46,520	311,766	-	1,778,765
Shares in Local Businesses	2,542,341	871,133	111,975	3,525,449	485,215	-	-	60,363	-	4,071,027
Treasury Bills	1,058,700	2,118,710	78,853	3,256,263	2,105,123	481,380	-	198,212	-	6,040,978
Cash on Fixed Deposits	-	452,750	40,000	492,750	150,000	-	666,545	26,625	-	1,335,920
Current Assets (debits, etc.)	-	-	31,149	31,149	1,455,322	-	451,784	-	-	1,938,255
Foreign Investments (if any)	744,760	-	113,574	858,334	-	-	-	-	-	858,334
Cash on Current Account and on Hand	256,297	112,472	-	368,769	29,671	22,599	439,109	47,621	10,155	917,924
Provision for Diminution	-	-	-	-	-	-	-	(205,923)	-	(205,923)
TOTAL ASSETS	19,304,915	19,397,887	3,964,437	42,667,239	12,062,769	4,666,974	4,494,800	8,017,144	349,639	72,258,565
Total Assets invested in Guyana	18,303,858	19,285,415	3,819,714	41,408,987	10,557,776	4,644,185	3,603,907	7,957,399	339,484	68,511,928
95% of Long Term Insurance Fund	14,555,438	17,403,569	3,766,216	35,725,223	10,486,054	4,433,626	5,311,226	7,616,287	332,977	63,905,393
Excess/Deficit	3,748,420	1,881,846	53,498	5,683,764	71,722	210,749	(1,707,319)	341,112	6,507	4,606,535

**APPENDIX II
STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE**

<u>Registered Insurance Companies</u>	<u>Amount of Securities</u>	
<u>Companies</u>	<u>Deposited</u>	
<u>Life Companies</u>		
<u>Local</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana and Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	808,000
<u>Foreign</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,770,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana and Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	550,000
<u>Foreign</u>		
Guardian Royal Exchange Assurance Limited	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total	<u>4,128,000</u>

representative from each of the More Developed Countries and two from the Less Developed Countries in the Caricom Region, to examine possibilities for regional co-operation for the development and supervision of the insurance industry in the Region, and to make recommendations for the consideration of the Standing Committee. The first meeting of the Working Party was held in Guyana, from 10th to 12th November, 1975 under the Chairmanship of the then Commissioner of Insurance of Guyana, Cde. M. Dial. At that meeting the working party agreed on the following areas for detailed study at future meetings:—

- I Harmonisation of Insurance legislation and aspects of Supervision.
- II Areas where Regionalisation could be attempted.
- III Development of statistics on a regional basis.
- IV Scope for expansion of the indigenous insurance industry.
- V Scope for diversification of the Insurance Industry in the Region.
- VI Catastrophe Funding.
- VII Education and Training in Insurance.
- VIII Creation of a Regional Re-Insurance Body.
- IX Creation of a Regional Co-operative Insurance Sector.
- X Institutional Arrangements for Continuing Collaboration on Insurance matters.

Professional Organisations

At 31st December 1975 there were two professional Organisations in Guyana viz the Insurance Association of Guyana and the Insurance Institute of Guyana.

Appreciation and Acknowledgement

I would like to record my appreciation of the Co-operation I received during the year from members of the Insurance Industry, and the Secretary to the Treasury and staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance.

**APPENDIX I
COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA**

<u>Long-term Insurance</u>	<u>Non-long-term Insurance excluding Motor Vehicle, Marine, Aviation and Transit Insurance.</u>
<u>Local:</u>	
1. Demerara Mutual Life Assurance Society Limited.	1. Guyana and Trinidad Mutual Fire Insurance Company Limited.
2. Guyana and Trinidad Mutual Life Insurance Company Limited	2. Hand-in-Hand Mutual Fire Insurance Company Limited.
3. Hand-in-Hand Mutual Life Insurance Company Limited.	3. Guyana Health Insurance Company
	4. Francis DeCaires and Company.
<u>Foreign:</u>	
4. American Life Insurance Company Limited.	5. Colonial Fire and General Insurance Company Limited.
5. British-American Life Insurance Company Limited.	6. New India Assurance Company Limited.
6. Caribbean Atlantic Life Insurance Company Limited.	7. The Liverpool and London and Globe Insurance Company Limited.
7. Colonial Life Insurance Company (Trinidad) Limited.	8. Guardian Royal Exchange Assurance Limited (with effect from 20th August, 1975).
8. First Federation Life Insurance Company Limited.	
9. United Security Life Insurance Company Limited.	

APPENDIX VI
Insurance Business other than Long-term or Motor, Marine
Aviation and Transit Insurance – Revenue Account 1975

	Guyana and Mutual Fire Ins. Co. Ltd	Hand-in-Hand Mutual Fire Co. Ltd.	Total Local Companies	Colonial Fire & General Ins. Co. (T'ad) Ltd.	Caledonian Insurance Co. Ltd.	Liverpool & London & Globe Ins. Co. Ltd.	New India Assurance Limited	Total
INCOME								
Amount of fund at the beginning of the year	—	—	—	—	—	—	—	—
Reserve for unexpired risks	2,488,383	1,299,292	3,787,675	34,147	121,190	510,499	108,201	4,561,712
Other Reserves	7,090,044	4,689,893	11,779,937	—	—	—	—	11,779,937
Premiums	5,247,460	2,431,225	7,678,685	377,171	207,936	2,345,412	186,321	10,795,525
Interests, dividends and rents	992,918	477,607	1,410,525	—	—	—	—	1,410,525
Profit from the sale of investments	—	41,633	41,633	22,516	—	—	—	64,149
Other Receipts	44,836	41,360	86,196	71,408	(778)	806,217	1,104,550	2,067,593
Total	15,803,641	8,981,010	24,784,651	505,242	328,348	3,662,128	1,399,072	30,679,441
EXPENDITURE								
Claims under policies paid and outstanding	2,837,806	428,586	3,266,392	40,748	96,345	1,575,508	1,122,661	6,101,654
Expenses of Management:								
Commissions, Salaries	597,085	451,581	1,048,666	77,817	48,763	661,242	54,210	1,890,698
Others	802,179	328,587	1,130,766	22,082	16,809	—	—	1,169,657
Reinsurance	—	837,300	837,300	285,632	—	—	—	1,122,932
Interest, dividends on script capital	55,500	125,472	180,972	—	—	—	—	180,972
Cash Profits	670,864	472,866	1,143,730	—	83,257	353,652	133,436	1,714,075
Pensions	43,338	8,381	51,719	—	—	—	—	51,719
Taxation	—	45,099	45,099	9,916	—	133,561	—	188,576
Other Payments	—	—	—	—	—	—	14,237	14,237
Investments Reserves	—	—	—	—	—	—	—	—
Reserved for unexpired risks	2,868,995	1,740,174	4,609,169	36,616	83,174	938,165	74,528	5,741,652
Other Reserves	6,992,183	4,542,964	11,535,147	—	—	—	—	11,535,147
TOTAL	14,867,950	8,981,010	23,848,960	472,811	328,348	3,662,128	1,399,072	29,711,319

**APPENDIX VII
HEALTH INSURANCE BUSINESS
REVENUE ACCOUNT – 1975**

Income	Guyana Health Insurance Limited	Francis DeCaires Limited	Total
	\$	\$	\$
Premiums	286,695.87	311,296	597,991.87
Other Receipt	1,561.62		1,561.62
	288,257.49	311,296	599,553.49
Expenditure:			
Claims and Benefits	206,376.76	199,664	406,040.76
Commissions	—	22,489	22,489.00
Expenses of Management	28,914.04	60,510	89,424.04
Depreciation of Equipment	1,680.88	—	1,680.88
Transfer to Profit and Loss Account	51,285.81	28,633	79,918.81
	288,257.49	311,296	599,553.49

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1976**

3rd April, 1982

Cde. H.D. Hoyte, S.C., M.P.,
Vice President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice President,

I have the honour to submit to you for presentation to the National Assembly the Sixth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1976.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance.

**SIXTH REPORT
OF THE COMMISSIONER OF INSURANCE**

Registration

The Guyana Co-operative Insurance Service was established by Order No 57 of 1976 made under the Co-operative Financial Institutions Act No 8 of 1976. The Service was established with effect from 1st July 1976, as a Co-operative Financial Institution under the Co-operative Finance Administration, and registered to carry on in Guyana Insurance Business of the following classes:—

- a) Property Insurance (Item 4 of the First Schedule to the Act)
- b) Liability and Casualty Insurance (Item 6 of the First Schedule to the Act)

At the 31st December 1976, therefore, there were eighteen registered companies classified as follows:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance Business	3	6	9
Other than Long-term, Motor Vehicle, Marine, Aviation and Transit Insurance Business	5	4	9
	<hr/>	<hr/>	<hr/>
	8	10	18
	<hr/>	<hr/>	<hr/>

A list of the companies registered to carry on insurance business is shown at Appendix I.

The following is a summary of the classes of insurance business carried on by Companies registered under the Act:

<u>Class of Business Undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term insurance i.e Life, Bond Investment, and Non-Cancellable sickness and Accident	3	6	9
Property Insurance	3	4	7
Cancellable Group Life	3	2	5
Accident and Liability	3	3	6
Cancellable sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained.

Deposits

At 31st December 1976 sixteen companies had deposited with the Commissioner of Insurance the sum of four million, three hundred and seventy eight thousand dollars (\$4,378,000) in Government of Guyana debentures. Two companies which carried on Health Insurance business were not required to make the deposit. A list of the companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act, and the amount of securities deposited is shown at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-term insurance funds amounted to \$75,560,677 at the 31st December 1976 compared to \$67,268,831 at the 31st December, 1975, viz.

3 local companies	\$42,630,571
5 foreign companies	\$32,930,106
	<u>\$75,560,677</u>

The amounts invested in Guyana against these funds were as follows:

<u>Particulars</u>	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u>
Real Estate	221,299	1,683,340	1,904,639
Loans on:			
Mortgages on property within Guyana	20,063,328	8,754,980	28,818,308
Total	20,284,627	10,438,320	30,722,947
Total Carried Forward	20,284,627	10,438,320	30,722,947

Particulars	Local Companies	Foreign Companies	Total
	\$	\$	\$
Total Brought Forward	20,284,627	10,438,320	30,722,947
Stocks and Shares	150,000	964,945	1,114,945
Policies within their surrender value	5,051,656	5,440,446	10,492,102
Personal Security		17,720	17,720
Other Loans	1,215,556		1,215,556
Deposit with Commissioner of Insurance	756,346	1,520,000	2,276,346
Other Government of Guyana Securities	5,300,844	5,312,218	10,613,062
Public Corporations and Government Ventures	395,000	850,000	1,245,000
Municipal Securities	1,249,581	1,096,332	2,345,913
Shares in local business	3,706,162	588,186	4,294,348
Treasury Bills	4,691,970	4,139,354	8,831,324
Cash on Fixed Deposits	446,250	1,017,173	1,463,423
Total	43,247,992	31,384,694	74,632,686

In addition to these amounts the following assets were held against these funds:--

	Local \$	Foreign \$	Total \$
Net current assets including cash on current account and on hand	276,359	489,887	766,246
Foreign Investments			
	<u>276,359</u>	<u>489,887</u>	<u>766,246</u>

In accordance with Section 30 Sub Section (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by Companies carrying on Long-term Insurance Business is ninety-five per cent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:

	Local Companies \$	Foreign Companies \$	Total \$
Minimum Requirement	40,499,042	31,283,603	71,782,645
Actual Investments in Guyana	43,247,992	30,752,238	74,000,230
	<u>+2,748,950</u>	<u>-531,365</u>	<u>+2,217,585</u>

It will be observed that the local companies invested \$2,748,950 more than the required minimum locally while the foreign companies were in deficit by \$531,365, resulting in an overall increase of \$2,217,585.

A detailed statement of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under the provisions of Section 30 subsection (3) of the Insurance Act every insurance company carrying on Long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this respect against the increases of the funds are as follows:

	Local Companies \$	Foreign Companies \$	Total \$
Increases in funds	5,944,554	3,266,771	9,211,325
Minimum Investment requirement in approved securities	1,287,565	828,640	2,116,205
Amount actually invested	1,389,380	842,920	2,232,300
Excess/Deficit	+ 101,815	+14,280	+ 116,095

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$75,560,677 at the 31st December 1976, 20.2% was held in Government and Municipal Securities, 13.9% in loans to policy holders, 5.7% in local equity and 38.1% in Mortgages.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$27,526,038 of which the amount of \$20,592,184 represents premium income i.e. 74.8%. The total expenditure amounted to \$18,314,713 and of this amount the sum of \$4,911,401 was in respect of payment of claims i.e. 21.3%. Details of this account are given at Appendix V.

**Insurance Business other than Long-term,
or Motor Marine, Aviation and Transit
Insurance Business**

With the establishment of the Guyana Co-operative Insurance Service in July 1976, three local companies and four foreign companies, carried on this category of insurance business during 1976.

Revenue Account – Non Long-Term

The receipts of the seven companies carrying on non-life business during 1976 amounted to \$14,411,713 of which the sum of \$12,046,398 was in respect of premiums.

The claim ratio in relation to the premiums received is as follows:

<u>Companies</u>	<u>Net Premiums</u>	<u>Claims</u>	
Guyana & Trinidad Mutual Fire Insurance Company Limited	5,721,359	2,468,292	43.1
Hand-in-Hand Mutual Fire Insurance Company Limited	2,797,943	81,306	2.9
Guyana Co-operative Insurance Service	196,346		
Colonial Fire and General Insurance Company Limited	646,798	1,067	.17
Guardian Royal Exchange Assurance Limited	162,171	137,761	84.9
Liverpool and London and Globe Insurance Company Limited	2,252,125	2,114,325	93.8
New India Assurance Company Limited	269,656	35,282	13.1
Total	12,046,398	4,838,033	40.2

Details of the Revenue Account for non long-term insurance business are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by Companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two non-life companies and the Guyana Co-operative Insurance Service which was established on 1st July 1976:—

	Hand in-Hand Mutual Fire Ins. Co. Ltd	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-operative Ins. Service w.e.f. 1.7.76	Total
	\$	\$	\$	\$
Fixed Assets				
Land and Buildings	634,245	1,185,939		1,820,184
Furniture and Equipment	80,574	480,149	227,690	788,413
Investments				
Guyana Government Securities	409,000	1,702,844	301,230	2,413,074
Municipal Securities	96,097	360,597		456,694
Shares and other stock debentures	785,642	1,141,043		1,926,685
Mortgage Loans	2,611,289	4,742,399		7,353,688
Other Loans		150,000	305,127	455,127
Guyana Government Treasury Bills	123,286	1,371,385	295,698	1,790,369
Fixed Deposits	85,469	496,123	1,275,000	1,856,592
Current Assets	519,432	1,426,029	3,981,674	5,927,135
	5,345,034	13,056,508	6,386,419	24,787,961

The total liabilities of these companies comprise:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd	Guyana Co-operative Ins. Service	Total
	\$	\$	\$	\$
Reserve for unexpired Risks	2,019,457	3,289,948	972,536	6,281,941
Share Capital			1,500,000	1,500,000
Script Capital	1,508,452	1,000,000		2,508,452
Premiums Capital	835,431	987,249		1,822,680
Other Reserves and Provisions	2,252,820	5,549,557	326,219	8,128,596
Current Liabilities	407,028	6,039,962	3,587,664	10,034,654
	7,023,188	16,866,716	6,386,419	30,276,323

The two local companies also operate in the West Indies and have offshore investments to the value of \$5,588,362.

First Federation Life Insurance Company Limited

On the 30th July 1976, the First Federation Life Insurance Company Limited which was incorporated in the Bahamas, was ordered into liquidation by the Supreme Court of the Bahamas, and an official Liquidator was appointed. The local Representative of the Company indicated that arrangements were being made to mutualise locally, the Guyana Business of the Company and the Liquidator was not averse to this arrangement as it would offer a solution to the local business. The assets of the Company in Guyana were frozen so as to ensure that the local policy holders were not adversely affected.

Health Insurance Schemes

Two local companies carried on Health Insurance business during 1976. The total income amounted to \$715,663 of which the sum of \$704,857 was in respect of premiums. The total expenditure amounted to \$596,985 of which the sum of \$475,936 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during 1976.

Five complaints and enquiries were received during 1976 in connection with the delay in payment of policy claims and the non-payment of claims. The complaints were investigated and settled to the satisfaction of the parties concerned. During the period under review a request for information was received through the Guyana Embassy in Washington U.S.A. from the Insurance Company of North America, a company which provides automobile insurance worldwide. The Company was in the process of preparing an underwriting manual and the information requested was in the form of a questionnaire and concerned automobile underwriting in respect to Guyana. The answers to the questionnaire were provided through the Guyana Embassy in Washington U.S.A.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision or order of the Commissioner of Insurance.

Regional Co-operation for the development of the Insurance Industry

The Second Meeting of the Working Party which was established to examine possibilities for regional co-operation for the development and supervision of the insurance industry was not held during 1976 as planned. The main reason was that it was not possible to undertake the preparatory work necessary to ensure reasonable progress at the meeting. It is expected that the meeting would be held during 1977.

Caribbean Insurance Conference

The Commissioner of Insurance attended the Second Caribbean Insurance Conference which was held in Port-of-Spain Trinidad on 25th to 29th October, 1976. The Conference was

sponsored by the Insurance Association of the Caribbean which comprise members of the Insurance Industry throughout the Caribbean. Participants of the Conference included Insurance Supervisors, Representatives of the Caribbean and neighbouring countries in Central America and delegates from Latin America, United States of America, Canada and the United Kingdom. The Conference programme covered all aspects of the insurance industry including supervision and regulation, and participants were exposed to current trends of insurance business in the Caribbean, problems affecting the industry, and the attitude of various territories in dealing with such problems. The Commissioner of Insurance chaired a Session of the Conference.

Professional Organisations

At 31st December, 1976 there were two professional Organisations in Guyana viz. the Insurance Association of Guyana and the Insurance Institute of Guyana.

Appreciation and Acknowledgement

I wish to record my appreciation of the Co-operation I received during the year from members of the Insurance Industry, and the Secretary to the Treasury and staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance

APPENDIX I**COMPANIES REGISTERED TO CARRY ON INSURANCE BUSINESS
IN GUYANA****Long-Term Insurance****Non-Long-Term Insurance excluding
Motor Vehicle, Marine, Aviation and
Transit Insurance.**

Local:	1:	Demerara Mutual Life Assurance Society Limited.	1:	Guyana and Trinidad Mutual Fire Insurance Company Limited.
	2:	Guyana and Trinidad Mutual Life Insurance Company Limited.	2:	Hand-in-Hand Mutual Fire Insurance Company Limited.
	3:	Hand-in-Hand Mutual Life Insurance Company Limited.	3:	Guyana Co-operative Insurance Service w.e.f. 1st July, 1976.
Foreign:			4:	Guyana Health Insurance Company.
			5:	Francis De Caires and Company.
	4:	American Life Insurance Company.	6:	Colonial Fire and General Insurance Company Limited.
	5:	British-American Life Insurance Company Limited.	7:	New India Assurance Company Limited.
	6:	Caribbean Atlantic Life Insurance Company Limited.	8:	The Liverpool & London & Globe Insurance Company Limited.
	7:	Colonial Life Insurance Company (Trinidad) Limited.	9:	Guardian Royal Exchange Assurance Limited.
	8:	First Federation Life Insurance Company Limited.		
	9:	United Security Life Insurance Company Limited.		

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities Deposited</u>	
<u>Life Companies</u>	\$	\$
<u>Local:</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana & Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	808,000
<u>Foreign:</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,776,000
<u>Non-Life Companies:</u>		
Guyana & Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	
Guyana Co-operative Insurance Service	250,000	800,000
<u>Foreign:</u>		
Guardian Royal Exchange Assurance Limited	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
Total		<u>\$4,378,000</u>

APPENDIX III

Statement of Investment – Long Term Insurance Fund

1976 Insurer	Demerara Mut Life Assurance Society	Guyana and T'd Mutual Life Ins. Co.	Hand-in-Hand Mutual Life Ins. Co.	Total Local Companies	American Life Ins. Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co (T) Ltd.	United Security Ins. Co.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	16,392,721	21,380,542	4,857,308	42,630,571	12,538,370	5,378,115	6,123,539	8,516,000	374,082	75,560,677
Real Property										
Office Building	221,299	—	—	221,299	1,312,964	111,084	—	91,500	—	1,737,847
Other	—	—	—	—	—	—	144,201	23,591	—	167,792
Furniture and Fixtures	—	—	—	—	93,876	—	—	—	—	93,876
Loans on										
Mortgages on property within Guyana	7,242,737	9,989,159	2,831,432	20,063,328	2,459,695	3,457,013	92,657	2,745,615	—	28,818,308
Stocks and Shares	—	—	150,000	150,000	300,000	—	300,000	364,945	—	1,114,945
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	2,859,348	1,900,446	291,862	5,051,656	1,761,362	678,996	1,149,995	1,781,897	68,196	10,492,102
Personal Security	—	—	—	—	—	—	—	17,720	—	17,720
Others	865,556	350,000	—	1,215,556	—	—	—	—	—	1,215,556
Investments										
Deposit with Commissioner of Insurance	248,640	257,706	250,000	756,346	500,000	270,000	250,000	250,000	250,000	2,276,346
Other Government of Guyana Securities	444,660	3,980,434	875,750	5,300,844	1,430,641	429,038	1,218,519	2,194,020	40,000	10,613,062
Public Corporations & Govt. Ventures	250,000	—	145,000	395,000	350,000	—	300,000	200,000	—	1,245,000
Municipal Securities	454,769	680,094	114,718	1,249,581	766,099	—	45,165	285,068	—	2,345,913
Shares in Local Businesses	2,741,187	872,993	91,982	3,706,162	580,431	—	—	7,755	—	4,294,348
Treasury Bills	989,396	3,401,948	300,626	4,691,970	3,369,928	410,884	358,542	—	—	8,831,324
Cash on Fixed Deposits	—	406,250	40,000	446,250	150,000	—	640,548	226,625	—	1,463,423
Net Current Assets (debts etc.)	—	—	—	—	(633,456)	—	190,142	—	—	(443,314)
Foreign Investments (if any)	—	—	—	—	—	—	—	—	—	—
Cash on Current Account & on Hand	75,129	107,775	93,455	276,359	95,830	21,100	29,807	327,264	15,886	766,246
Total Assets:	16,392,721	21,946,805	5,184,825	43,524,351	12,538,370	5,378,115	4,719,576	8,516,000	374,082	75,050,494
Total Assets invested in Guyana	16,317,592	21,839,030	5,091,370	43,247,992	12,348,664	5,357,015	4,499,627	8,188,736	358,196	74,000,230
(95% of Long Term Insurance Fund)	15,573,085	20,311,514	4,614,443	40,499,042	11,911,452	5,109,210	5,817,363	8,090,200	355,378	71,782,645
Excess/Deficit	744,507	1,527,516	476,927	2,748,950	437,212	247,805	(1,317,736)	98,536	2,818	2,217,585

APPENDIX IV

STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1976

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc.	Guyana & Trinidad Mutual Life Ins. Co. Ltd	Hand-in-Hand Mutual Life Ins. Co. Ltd	Total Local Companies	American Life Ins. Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'd) Limited	United Security Life Ins. Co. Ltd.	Total
31st December, 1976	16,392,721	21,380,542	4,857,308	42,630,571	12,538,370	5,378,115	6,123,539	8,516,000	374,082	75,560,677
1st January, 1976	14,402,034 ϕ	18,319,546	3,964,437	36,686,017	11,037,951	4,666,974	5,590,764	8,017,144	350,502	66,349,352
Increase in Fund	1,990,687	3,060,996	892,871	5,944,554	1,500,419	711,141	532,775	498,856	23,580	9,211,325
Amount to be invested	• 496,792	612,199	178,574	*1,287,565	371,744	*241,877	106,555	99,771	8,693	2,116,205
Amount Invested	—	1,239,380	150,000	1,389,380	100,000	—	250,000	492,920	—	2,232,300
Deficit/Excess	(496,792)	627,181	(28,574)	101,815	(271,744)	(241,877)	143,445	393,149	(8,693)	116,095

 ϕ Long term fund adjusted

*Includes deficit for previous year

APPENDIX V

LONG-TERM INSURANCE COMPANIES - REVENUE ACCOUNT - 1976

1976	Demerara Mutual Life Ass. Soc. Ltd	Guyana and Trinidad Mut. Life Ins. Co.	Hand-in-Hand Mut. Life Ins. Co. Ltd.	Total Local Companies	American Life Ins. Co. Ltd.	British American Ins. Co.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T) Limited	United Security Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME										
Amount of Long-term Insurance Fund at beginning of the year	15,321,513	18,319,546	3,964,437	37,605,496	11,037,951	4,666,974	5,590,764	8,017,144	350,502	67,268,831
Adjustment to Fund	(919,479)	—	—	(919,479)	—	—	—	—	—	(919,479)
Premiums (Less reinsurance)	3,771,393	3,400,012	1,394,523	8,565,928	6,004,691	2,010,382	824,809	3,070,352	116,022	20,592,184
Consideration for Annuities granted	114,706	1,337,199	—	1,451,905	235,845	—	—	—	—	1,687,750
Interests, dividends and rents	1,636,016	1,464,896	368,805	3,469,717	683,170	452,028	149,780	376,100	17,020	5,147,815
Other Receipts	90,392	5,072	2,094	97,558	—	—	418	313	—	98,289
TOTAL:	20,014,541	24,526,725	5,729,859	50,271,125	17,961,657	7,129,384	6,565,771	11,463,909	483,544	93,875,390
EXPENDITURE										
Claims:										
Death	231,373	295,942	127,800	655,115	635,443	91,259	196,603	628,104	8,800	2,215,324
Maturities	638,035	704,638	39,675	1,382,348	312,497	268,287	41,248	674,668	11,000	2,690,048
Other	807	472	593	1,872	—	500	—	3,657	—	6,029
Surrenders	391,219	507,241	158,513	1,056,973	356,489	112,437	170,618	143,401	4,330	1,844,248
Annuities	11,043	533,225	60,845	605,113	103,457	—	—	7,067	—	715,637
Bonuses to Policy Holders	—	—	—	—	280,984	3,730	6,428	164	2,560	293,866
Commissions	694,017	626,289	191,619	1,511,925	1,133,717	482,959	18,332	591,177	39,337	3,777,447
Expenses of Management	370,696	708,591	166,148	1,245,435	773,528	149,959	72,243	272,515	15,851	2,529,531
Home Office Expenses	—	—	—	—	663,214	268,397	89,902	627,156	27,584	1,676,253
Taxation	309,517	(230,215)	127,358	206,660	573,930	—	—	—	—	780,590
Other Payments	975,113	—	—	975,113	590,028	373,741	(153,142)	—	—	1,785,740
Amount of Long-Term Insurance Fund	16,392,721	21,380,542	4,857,308	42,630,571	12,538,370	5,378,115	6,123,539	8,516,000	374,082	75,560,677
TOTAL:	20,014,541	24,526,725	5,729,859	50,271,125	17,961,657	7,129,384	6,565,771	11,463,909	483,544	93,875,390

APPENDIX VI

Insurance Business other than Long-Term or Motor, Marine
Aviation, and Transit Insurance – Revenue Account 1976

112

1976	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Hand-in-Hand Mutual Fire Ins. Co. Ltd	Guyana Co-op Ins. Service	Total Local Companies	Colonial Fire & General Ins. Co. (T'd) Ltd.	Guardian Royal Exchange Ass. Ltd.	Liverpool & London & Globe Ins. Co. Ltd.	New India Assurance Co. Ltd	Grand Total
INCOME									
Amount of Fund at the beginning of the year	—	—	—	—	—	—	—	—	—
Reserve for unexpired risks	2,868,995	1,740,174	—	4,609,169	36,616	83,174	938,165	74,528	5,741,652
Other Reserves	6,992,183	4,542,964	—	11,535,147	—	—	—	—	11,535,147
Premiums	5,721,359	2,797,943	196,346	8,715,648	646,798	162,171	2,252,125	269,656	12,046,398
Interests, dividends and rents	3,350	485,306	—	488,656	—	—	—	—	488,656
Profit from the sale of investments	—	(31,876)	—	(31,876)	39,288	—	—	—	7,412
Other Receipts	43,277	42,824	800,792	886,893	135,485	(6,131)	836,100	16,900	1,869,247
	15,629,164	9,577,335	997,138	26,203,637	858,187	239,214	4,026,390	361,084	31,688,512
EXPENDITURE									
Claims under policies paid and outstanding	2,468,292	81,306	—	2,549,598	1,067	137,761	2,114,325	35,282	4,838,033
Expenses of Management: Commissions, Salaries	819,427	517,050	133,033	1,469,510	101,598	46,233	430,376	57,506	2,105,223
Others	631,572	397,795	149,880	1,179,247	103,063	13,068	126,355	—	1,421,733
Reinsurance	—	1,318,860	—	1,318,860	541,942	—	—	—	1,860,802
Interest or Dividends on Script Capital	58,200	89,134	—	147,334	—	—	—	—	147,334
Cash Profits	658,599	450,961	455,335	1,564,895	—	(22,717)	329,438	140,010	2,011,626
Pensions	59,606	8,256	—	67,862	—	—	—	—	67,862
Taxation	1,194,438	97,813	—	1,292,251	3,891	—	125,046	—	1,421,188
Other Payments	—	—	—	—	—	—	—	20,424	20,424
Investment Reserves	—	—	—	—	—	—	—	—	—
Reserved for unexpired risks	3,264,799	2,019,457	209,802	5,494,058	41,942	64,869	900,850	107,862	6,609,581
Other Reserves	7,526,046	4,596,703	49,088	12,171,837	—	—	—	—	12,171,837
	16,680,979	9,577,335	997,138	27,255,452	793,503	239,214	4,026,390	361,084	32,675,643

APPENDIX VII

HEALTH INSURANCE BUSINESS

REVENUE ACCOUNT – 1976

Income	Guyana Health Insurance Limited	Francis De Caires Limited	Total
	\$	\$	\$
Premiums	339,246.91	365,611	704,857.91
Other Receipt	10,805.97	—	10,805.97
	350,052.88	365,611	715,663.88
Expenditure			
Claims and Benefits	262,399.23	213,537	475,936.23
Commissions	—	25,868	25,868.00
Expenses of Management	42,286.70	51,451	93,737.70
Depreciation of Equipment	1,443.67	—	1,443.67
Transfer to Profit and Loss Account	43,923.28	74,755	118,678.28
	350,052.88	365,611	715,663.88

R E P O R T
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1977

3rd April, 1982

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Seventh Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1977.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

S E V E N T H R E P O R T
OF THE COMMISSIONER OF INSURANCE

Registration

With effect from 1st January 1977 the Guyana Co-operative Insurance Service was registered to carry on the following classes of Insurance Business:-

- (a) Life Insurance (Item 1 of the First Schedule to the Insurance Act)
- (b) Non Cancellable (Item 3 of the First Schedule to the Insurance Act)
Sickness and
Accident Insurance
- (c) Cancellable Group (Item 5 of the First Schedule to the Insurance Act)
Life Insurance

At 31st December 1977 there were, therefore, nineteen registered companies classified as follows:-

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance Business	4	6	10
Other than Long-term, Motor Vehicle, Marine, Aviation and Transit Insurance Business	5	4	9
	9	10	19

A list of the Companies registered to carry on insurance business is shown at Appendix I.

The following is a summary of the classes of insurance business carried on by Companies registered under the Act:—

<u>Class of Business Undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term insurance i.e. Life, Bond Investment and Non Cancellable	4	6	10
Sickness and Accident Property Insurance	3	4	7
Cancellable Group Life	4	2	6
Accident and Liability	3	3	6
Cancellable Sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained.

Deposits

At 31st December 1977 seventeen Companies had deposited with the Commissioner of Insurance the sum of four million, six hundred and twenty-eight thousand dollars (\$4,628,000) in Government of Guyana debentures. Two Companies which carried on Health Insurance business were not required to make the deposit. A list of the Companies which were required to make the deposit with the Commissioner of Insurance in accordance with Section 18 of the Act, and the amount of securities deposited is shown at Appendix II.

Long-term Insurance Business Statutory Funds

The Long-term insurance funds amounted to \$86,158,859 at the 31st December 1977 compared to \$75,560,677 at the 31st December 1976, viz.

4 local companies	\$49,953,267
5 foreign companies	\$36,205,592
Total	\$86,158,859

The amounts invested in Guyana against these funds were as follows:—

Particulars	Local Companies \$	Foreign Companies \$	Total \$
Real Estate	221,291	2,010,077	2,231,376
Loans on:			
Mortgages on property within Guyana	23,753,201	9,046,705	32,799,906
Stocks and Shares	350,246	507,753	857,999
Policies within their surrender value	5,289,471	6,187,305	11,476,776
Personal Security			
Other Loans	1,165,814		1,165,814
Deposit with the Commissioner of Insurance	1,006,346	1,520,000	2,526,346
Other Government of Guyana Securities	6,548,188	6,664,340	13,212,528
Public Corporation and Government Ventures	710,000	1,150,000	1,860,000
Municipal Securities	1,561,470	1,055,787	2,617,257
Shares in local businesses	2,956,746	588,186	3,544,932
Treasury Bills	5,671,796	8,221,915	13,893,711
Cash on Fixed Deposit	762,750	1,104,108	1,866,858
Total	<u>49,997,327</u>	<u>38,056,176</u>	<u>88,053,503</u>

In addition to these amounts the following assets were held against these funds.

	Local \$	Foreign \$	Total \$
Net current assets including cash on current account and on hand	1,382,798	2,403,320	3,786,118
Foreign Investments	4,455		4,455
	<u>1,387,253</u>	<u>2,403,320</u>	<u>3,790,573</u>

In accordance with Section 30 subsection (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by Companies carrying on Long-term Insurance Business is ninety five per cent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Minimum Requirement	47,455,605	34,395,313	81,850,918
Actual Investments in Guyana	49,997,327	37,844,477	87,841,804
Excess/Deficit	+ 2,541,722	+ 3,449,164	+ 5,990,886

The local companies, therefore, invested \$2,541,722 more than the required minimum locally; the foreign companies \$3,449,164 more, resulting in an overall increase of \$5,990,886.

A detailed account of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30 subsection (3) of the Insurance Act every insurance company carrying on Long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this respect against the increases of the funds are as follows:—

	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Increase in funds	7,322,696	3,275,486	10,598,182
Minimum Investment requirement in approved securities	1,989,906	1,177,413	3,167,319
Amount actually invested	1,725,000	1,350,000	3,075,000
Excess/Deficit	-264,906	+172,587	-92,319

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$86,158,859 at the 31st December 1977, 21.3% was held in Government and Municipal Securities, 13.3% in loans to policy holders, 4.1% in local equity, 38.1% in Mortgages and 16.1% in Treasury Bills.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$31,938,287 of which the amount of \$22,316,822 represents premium income i.e. 69.8%. The total expenditure amounted to \$20,180,577 and of this amount the sum of \$5,840,629 was in respect of payment of claims i.e. 28.9%. Details of this account are given at Appendix V

**Insurance Business other than Long-term, or Motor,
Marine, Aviation and Transit Insurance Business**

Three local companies and four foreign companies carried on this category of insurance business during 1977.

Revenue Account – Non-Long-Term

The receipts of the seven companies carrying on non-life business during 1977 amounted to \$15,233,101 of which the sum of \$11,550,606 was in respect of premiums. The claim rates in relation to the premiums received is as follows:—

<u>Companies</u>	<u>Net Premiums</u> \$	<u>Claims</u> \$	
Guyana & Trinidad Mutual Fire Insurance Company Limited	5,647,898	2,629,690	46.6
Hand-in-Hand Mutual Fire Insurance Company Limited	2,934,019	318,447	10.8
Guyana Co-operative Insurance Service	337,490	82,425	24.4
Colonial Fire & General Insurance Company Limited	539,182	36,422	6.7
Guardian Royal Exchange Assurance Limited	122,388	85,029	69.4
Liverpool and London and Globe Insurance Company Limited	1,693,605	4,111,786	242.8
New India Assurance Company Limited	276,024	750,960	272.1
Total	<u>11,550,606</u>	8,014,759	<u>69.4</u>

Details of the Revenue Account for non-long-term insurance business are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by Companies carrying on insurance business other than long-term. However the following is a summary of the assets held locally by the two local non-life companies and the Guyana Co-operative Insurance Service.

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd. \$	Guyana Co-operative Ins. Service \$	Total \$
Fixed Assets				
Lands & Buildings	649,245	1,207,581		1,856,826
Furniture and Equipment	69,014	459,913	322,513	851,440
Investments				
Guyana Government Securities	516,700	2,469,949	356,310	3,342,959
Municipal Securities	91,135	555,167		646,302
Shares and other Stock Debentures	716,026	1,016,322		1,732,348
Mortgage Loans	2,750,386	5,051,689		7,802,075
Other Loans		135,000	2,054,923	2,189,923
Guyana Government Treasury Bills	547,419	1,569,485	295,698	2,412,602
Fixed Deposits	57,903	488,183	2,500,000	3,046,086
Current Assets	1,782,512	1,407,507	2,942,990	6,133,009
	<u>7,180,340</u>	<u>14,360,796</u>	<u>8,472,434</u>	<u>30,013,570</u>

The total liabilities of these companies comprise:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd. \$	Guyana and Trinidad Mutual Fire Ins. Co. Ltd. \$	Guyana Co-operative Ins. Service \$	Total \$
Reserve for unexpired Risks	2,045,331	3,253,647	1,108,093	6,407,071
Share Capital			1,600,200	1,600,200
Script Capital	1,508,452	1,000,000		2,508,452
Premiums Capital	1,077,816	1,170,201		2,248,017
Other Reserves and Provisions	2,271,925	6,286,996	372,225	8,931,146
Current Liabilities	2,008,117	6,579,921	5,391,916	13,979,954
	<u>8,911,641</u>	<u>18,290,765</u>	<u>8,472,434</u>	<u>35,674,840</u>

The two local companies also operate in the West Indies and have off shore investments to the value of \$5,761,270.

First Federation Life Insurance Company Limited

During 1977 an agreement was entered into between the Liquidator of the First Federation Life Insurance Company Limited and the Manager of the Guyana branch of the Company for the establishment of a Mutual Company subject to the approval of the Ministry of Finance and for the Guyana business to be taken over by the proposed new Company. However, it was decided that before permission could be given or the outcome of the Guyana business could be decided upon by the Ministry it was necessary to ascertain an up-to-date Actuarial valuation of the liabilities, and Assets held in Guyana. Unfortunately most of the records were in the Bahamas amongst the Company's entire operation but efforts were being made to procure these records in order to finalise the actuarial valuation.

Health Insurance Companies

Two local companies carried on Health Insurance business during 1977. The total income amounted to \$1,026,083 of which the sum of \$1,020,165 was in respect of premiums. The total expenditure amounted to \$841,197 of which the sum of \$662,860 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during 1977.

Complaints and Enquiries

Four complaints were received during 1977 in connection with the non-payment of claims and breach of contract. The complaints were investigated and settled to the satisfaction of the parties concerned. During 1977 the Editor of the World Insurance Report, Financial Times Limited requested information relating to the recent developments in the local insurance industry. The information sought concerned changes in the legislation relating to Insurance Business, and in the market structure of the industry locally. The relevant information was supplied to the Editor. Enquiries were also received from Stewart Wrightson, Assurance Consultants Limited of Surrey, United Kingdom, regarding unit-linked contracts. In particular the Consultants requested advice as to the legality of a Trust Management Company seeking direct investment into Unit Trusts and other forms of mutual funds, and whether unit-linked contracts attract income tax relief on the investment premium. The relevant information was supplied to the Consultants.

First Third World Insurance Congress

The Commissioner of Insurance attended the First Third World Insurance Congress held in Manila from October 20 – 25, 1977. The Congress was sponsored by the Asian Institute of Insurance and participants comprised Third World countries including the Caricom Territories and Latin America. The Congress provided a forum to assess the role of insurance in a developing economy and explore the prospects of inter regional co-operation amongst Third World Countries. The topics discussed included Life and Non-Life Insurance, Reinsurance, Insurance Education and Research, Insurance Regulations and Supervision, and Insurance Management.

Appeals

No appeals were made under the provisions of the Insurance Act in respect of any decision or order of the Commissioner of Insurance.

Regional Co-operation for the development of the Insurance Industry

The Second meeting of the Working Party on regional co-operation for the development of the insurance industry was not held during 1977 because the dates fixed for the meeting were inconvenient to some Governments as well as the fact that the Regional Insurance Adviser whose services were received through the Commonwealth Fund for Technical Co-operation, did not take up office until late September 1977. It was proposed to hold the Meeting early in 1978

Professional Organisations

The Life Underwriters Association of Guyana was established in May 1977. The main objects of the Association are:—

- (a) To support and maintain the principles of legal reserve Life Insurance and of Health Insurance.
- (b) To advance public knowledge of the concept and uses of legal reserve Life Insurance and of Health Insurance.
- (c) To uphold the Agency System and to strive constantly for its improvement.
- (d) To promote to the extent legally permissible, high standards of ethical conduct in the profession of underwriting and the business of Life and Health Insurance.

At 31st December 1977 there were, therefore, three professional Organisations viz:

- (i) The Insurance Association of Guyana.
- (ii) The Insurance Institute of Guyana.
- (iii) The Life Underwriters Association of Guyana.

Appreciation and Acknowledgement

I wish to place on record my appreciation of the co-operation I received during the year from members of the Insurance Industry, and the Secretary of the Treasury and Staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance

APPENDIX I

COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA

Long Term Insurance

Non-Long Term Insurance excluding Motor
Vehicles, Marine, Aviation and Transit
Insurance.

Local:

- 1: Demerara Mutual Life Assurance Society Limited.
- 2: Guyana and Trinidad Mutual Life Insurance Company Limited
- 3: Hand-in-Hand Mutual Life Insurance Company Limited
- 4: Guyana Co-operative Insurance Service w.e.f. 1st January, 1977.

- 1: Guyana and Trinidad Mutual Fire Insurance Company Limited.
- 2: Hand-in-Hand Mutual Fire Insurance Company Limited.
- 3: Guyana Co-operative Insurance Service w.e.f. 1st July, 1976.
- 4: Guyana Health Insurance Company.
- 5: Francis De Caires and Company

Foreign

- 5: American Life Insurance Company
- 6: British-American Life Insurance Company Limited
- 7: Caribbean Atlantic Life Insurance Company Limited
- 8: Colonial Life Insurance Company (Trinidad) Limited.
- 9: First Federation Life Insurance Company Limited.
- 10: United Security Life Insurance Company Limited.

- 6: Colonial Fire and General Insurance Company Limited.
- 7: New India Assurance Company Limited
- 8: The Liverpool & London & Globe Insurance Company Limited.
- 9: Guardian Royal Exchange Assurance Limited.

APPENDIX II

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities Deposited</u>	
<u>Life Companies</u>	\$	\$
<u>Local:</u>		
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana & Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	
Guyana Co-operative Insurance Service	250,000	1,058,000
<u>Foreign:</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean-Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,770,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana & Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	
Guyana Co-operative Insurance Service	250,000	800,000
<u>Foreign</u>		
Guardian Royal Exchange Assurance Limited	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
	Total:	<u><u>4,628,000</u></u>

APPENDIX III
Statement of Long-Term Insurance Fund - 1977

128

1977 Insurer	Demerara Mutual Life Assurance Society	Guyana & Trinidad Mutual Life Ins. Co.	Hand-in-Hand Mut. Life Ins. Company	Guyana Co-operative Insurance Service	Total Local Companies	American Life Insurance Company	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'dad Limited)	United Security Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	19,179,451	24,951,775	5,807,619	14,422	49,953,267	14,288,880	6,035,228	6,362,973	9,098,021	420,490	86,158,859
Real Property											
Office Building	221,299	-	-	-	221,299	1,276,371	115,084	-	148,204	-	1,760,958
Other	-	-	-	-	-	-	-	144,201	326,217	-	470,418
Furniture and Fixtures	-	-	-	7,895	7,895	87,999	-	-	25,630	-	121,524
Loans on											
Mortgages on property within Guyana	10,651,046	9,685,078	3,417,077	-	23,753,201	3,183,914	3,542,702	83,987	2,236,102	-	32,799,906
Stocks and Shares	-	200,246	150,000	-	350,246	300,000	-	150,000	57,753	-	857,999
Life Interests and Reversions	-	-	-	-	-	-	-	-	-	-	-
Policies within the surrender value	2,964,592	1,986,531	338,348	-	5,289,471	2,175,897	743,943	1,318,995	1,879,113	69,357	11,476,776
Personal Security	-	-	-	-	-	-	-	-	-	-	-
Others	1,074,671	91,143	-	-	1,165,814	-	-	-	-	-	1,165,814
Investments											
Deposit with Commissioner of Insurance	248,640	257,706	250,000	250,000	1,006,346	500,000	270,000	250,000	250,000	250,000	2,526,346
Other Government of Guyana Securities	422,884	4,752,304	1,073,000	300,000	6,548,188	1,426,912	830,163	1,381,545	2,975,720	50,000	13,212,528
Public Corporations and Government Ventures	237,500	332,500	140,000	-	710,000	350,000	-	300,00	500,000	-	1,860,000
Municipal Securities	402,891	1,075,377	83,202	-	1,561,470	739,720	-	43,700	272,367	-	2,617,257
Shares in Local Businesses	2,263,707	601,056	91,983	-	2,956,746	580,431	-	-	7,755	-	3,544,932
Treasury Bills	593,881	4,831,500	246,415	-	5,671,796	6,759,603	523,876	346,281	592,155	-	13,893,711
Cash on Fixed Deposits	-	522,750	40,000	200,000	762,750	150,000	-	516,853	437,255	-	1,866,858
Current Assets (debts. etc.)	-	932,061	-	(550)	931,511	1,141,976	-	433,689	-	-	2,507,176
Foreign Deposits (if any)	-	4,455	-	-	4,455	-	-	-	-	-	4,455
Cash on Current Account and on hand	98,340	132,641	220,306	-	451,287	(211, 699)	9, 460	284,060	694,701	51,133	1,278,942
Total Assets	19,179,451	25,405,348	6,050,331	757,345	51,392,475	18,461,124	6,035,228	5,253,311	10,402,972	420,490	91,965,600
Total Assets Invested in Guyana	19,081,111	24,336,191	5,830,025	750,000	49,997,327	17,231,149	6,025,768	4,535,562	9,682,641	369,357	87,841,804
95% of Long Term Insurance Fund	18,220,479	23,704,187	5,517,238	13,701	47,455,605	13,574,436	5,733,467	6,044,824	8,643,120	399,466	81,850,918
Excess/Deficit	860,632	632,004	312,787	736,299	2,541,722	3,656,713	292,301	(1,509,262)	1,039,521	(30,109)	5,990,886

APPENDIX IV
STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1977

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins. Co.	Hand-in-Hand Mutual Life Ins.	Guyana Co-operative Ins. Service	Total Local Companies	American Life Ins. Company Limited	British American Life Ins. Company	Caribbean Atlantic Life Ins. Company	Colonial Life Ins. Co. (T'd) Limited	United Security Life Ins. Co. Ltd.	Grand Total
31st December, 1977	19,179,451	24,951,775	5,807,619	14,422	49,953,267	14,288,880	6,035,228	6,362,973	9,098,021	420,490	86,158,859
1st January, 1977	16,392,721	21,380,542	4,857,308	—	42,630,571	12,538,370	5,378,115	6,123,539	8,516,000	374,082	75,560,677
Increase in Fund	2,786,730	3,571,233	950,311	14,422	7,322,696	1,750,510	657,113	239,434	582,021	46,408	10,598,182
Amount to be Invested	1,054,138*	714,247	218,636*	2,885	1,989,906	621,846*	373,300*	47,887	116,405	17,975*	3,167,319
Amount Invested	—	1,000,000	175,000	550,000	1,725,000	300,000	300,000	150,000	600,000	—	3,075,000
Deficit/Excess	(1,054,138)	285,753	(43,636)	547,115	(264,906)	(321,846)	(73,300)	102,113	483,595	(17,975)	(92,319)

* Includes deficit for previous year.

APPENDIX V
LONG-TERM INSURANCE COMPANIES-REVENUE ACCOUNT

130

1977 Insurer	Demerara Mutual Life Assurance Soc. Ltd.	Guyana and Trinidad Mutual Life Insurances	Hand-in-Hand Mutual Life Life Ins. Co. Ltd.	Guyana Co-operative Insurance Service	Total Local Companies	American Life Ins. Co. Ltd.	British American Insurance Company Limited	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'dad) Limited	United Security Life Ins. Company Limited	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME											
Amount of Long-term Insurance Fund at beginning of the year	16,392,721	21,380,542	4,857,308	—	42,630,571	12,538,370	5,378,115	6,123,539	8,516,000	374,082	75,560,677
Adjustment to Fund	—	—	—	—	—	(1,159,528)	—	—	—	—	(1,159,528)
Premiums (less reinsurance)	4,457,552	3,544,472	1,526,144	53,424	9,581,592	6,746,147	2,226,195	799,188	2,848,828	114,872	22,316,822
Consideration for Annuities granted	196,951	1,890,330	—	—	2,087,281	124,827	—	—	—	—	2,212,108
Interests, dividends and rents	1,795,158	2,065,282	454,382	8,494	4,323,316	811,804	477,351	172,764	542,575	47,545	6,375,355
Other Receipts	995,978	15,239	21,785	—	1,033,002	—	—	433	567	—	1,034,002
Total	23,838,360	28,895,865	6,859,619	61,918	59,655,762	19,061,620	8,081,661	7,095,924	11,907,970	536,499	106,399,436
EXPENDITURE											
Claims:											
Death	490,831	443,648	58,329	15,000	1,007,808	839,950	229,258	429,545	295,194	3,500	2,805,255
Maturities	666,557	810,558	77,500	—	1,554,615	271,325	281,051	52,354	844,506	17,466	3,021,317
Other	1,006	2,433	593	7,497	11,529	—	250	—	2,278	—	14,057
Surrenders	795,131	462,241	246,004	—	1,503,376	407,180	124,956	197,362	130,795	8,595	2,372,264
Annuities	25,548	471,447	77,897	—	574,892	52,373	—	—	16,741	—	644,006
Bonuses to Policy Holders	—	—	—	—	—	357,879	11,200	6,911	—	2,870	378,860
Commissions	764,523	532,742	236,529	78	1,533,872	1,306,973	503,623	9,047	568,131	34,059	3,955,705
Expenses of Management	378,191	858,004	202,447	24,921	1,463,563	805,267	79,716	40,430	—	6,727	2,995,703
Home Office Expenses	—	—	—	—	—	441,490	277,737	102,604	577,384	34,095	1,433,310
Taxation	509,169	363,017	152,701	—	1,024,887	112,784	—	—	—	—	1,197,671
Other Payments	1,027,953	—	—	—	1,027,953	177,519	538,642	(105,302)	374,920	8,697	2,022,429
Amount of Long-term Insurance Fund	19,179,451	24,951,775	5,807,619	14,422	49,953,267	14,288,880	6,035,228	6,362,973	9,098,021	420,490	86,158,859
Total	23,838,360	28,895,865	6,859,619	61,918	59,655,762	19,061,620	8,081,661	7,095,924	11,907,970	536,499	106,399,436

APPENDIX VI

Insurance Business other than Long-term or Motor,
Marine, Aviation and Transit Insurance - Revenue
Account - 1977

	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana Co-op Ins.	Total Local Companies	Colonial Fire & General Ins. Co. (Tr'd) Ltd.	Guardian Royal Exchange Ass. Ltd.	Liverpool & London & Globe Ins. Co. Ltd.	New India Assurance Co. Ltd.	Total
	\$	\$	\$	\$	\$	\$	\$	\$	
INCOME									
Amount of Fund at the beginning of the year	-	-	-	-	-	-	-	-	-
Reserve for unexpired risks	3,264,799	2,019,457	209,802	5,494,058	41,942	64,869	900,850	107,862	6,609,581
Other Reserves	7,526,046	4,596,703	-	12,122,749	-	-	-	-	12,122,749
Premiums	5,647,898	2,914,019	337,490	8,919,407	539,182	122,388	1,693,605	276,024	11,550,606
Interests, dividends and rents	1,110,854	576,621	-	1,687,475	-	-	-	-	1,687,475
Profit from the sale of investments	-	(47,518)	-	(47,518)	56,052	-	-	-	8,534
Other Receipts	(16,523)	638	312,828	296,943	132,795	35,613	1,499,435	21,700	1,986,486
TOTAL	17,543,074	10,079,920	860,120	28,473,114	769,971	222,870	4,093,890	405,586	33,965,431
EXPENDITURE									
Claims under policies paid and outstanding	2,629,690	318,447	82,425	3,030,562	36,422	85,029	4,111,786	750,960	8,014,759
Expenses of Management Commissions, Salaries	660,646	598,274	203,041	1,461,961	97,714	29,083	404,264	82,859	2,075,881
Others	771,910	491,157	194,366	1,456,913	69,970	10,264	147,287	-	1,684,434
Reinsurance	-	1,000,781	-	1,000,781	443,179	-	-	-	1,443,960
Interest or Dividends on script capital	60,000	89,134	-	149,134	-	-	-	-	149,134
Cash Profits	652,747	460,899	167,448	1,281,094	-	49,539	(1,300,847)	(559,599)	(529,813)
Pensions	67,758	7,600	-	75,358	-	-	-	-	75,358
Taxation	1,070,082	210,124	-	1,280,206	14,800	-	53,958	-	1,348,964
Other Payments	-	-	-	-	-	-	-	20,957	20,957
Investment Reserves	-	-	-	-	-	-	-	-	-
Reserved for unexpired Risks	3,223,268	2,045,311	212,840	5,481,419	38,401	48,955	677,442	110,409	6,356,646
Other Reserves	8,437,117	4,858,193	-	13,295,310	-	-	-	-	13,295,310
TOTAL	17,572,718	10,079,920	860,120	28,512,758	700,486	222,870	4,093,890	405,586	33,945,590

APPENDIX VII
HEALTH INSURANCE BUSINESS
REVENUE ACCOUNT – 1977

Income	Guyana Health Insurance Limited	Francis De Caires Limited	Total
	\$	\$	\$
Premiums	402,190	617,975	1,020,165
Other Receipt	5,918	—	5,918
	408,108	617,975	1,026,083
Expenditure:			
Claims and benefits	318,018	344,842	662,860
Commissions	1,894	54,683	56,577
Expenses of Management	41,172	77,601	118,773
Depreciation of Equipment	2,987		2,987
Transfer to Profit and Loss Account	44,037	140,849	184,886
	408,108	617 975	1 026 083

R E P O R T
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1978

3rd April, 1982

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Eighth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1978.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

E I G H T R E P O R T
OF THE COMMISSIONER OF INSURANCE

Registration

At 31st December 1978, nineteen companies were registered under the Insurance Act. A list of the registered companies is shown at Appendix 1 and is classified as follows:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance Business	4	6	10
Other than Long-term, Motor Vehicle, Marine, Aviation and Transit Insurance	5	4	9
	9	10	19

The following is a summary of the classes of insurance business carried on by Companies registered under the Act:-

<u>Class of Business Undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term insurance i.e. Life, Bond Investment and Non-Cancellable Sickness and Accident	4	6	10
Property Insurance	3	4	7
Cancellable Group Life	4	2	6
Accident and Liability	3	3	6
Cancellable Sickness and Accident Insurance		4	4
Health Insurance	2		2

A register of the Companies has been maintained.

Deposits

Seventeen registered insurance companies had deposited with the Commissioner of Insurance the sum of Four Million, six hundred and twenty eight thousand dollars (\$4,628,000) in Government of Guyana debentures at 31st December 1978. The two Health Insurance Companies were not required to make the deposit. A list of the registered Companies and the amount of securities deposited with the Commissioner of Insurance is shown at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-Term insurance funds amounted to \$96,806,839 at 31st December 1978 compared to \$86,158,859 at 31st December 1977, viz:

4 local companies	\$55,521,139
5 foreign companies	\$41,285,700
	<hr/>
	\$96,806,839

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u> \$	<u>Total</u> \$
Real Estate	236,470	2,040,337	2,276,807
Loans on:—			
Mortgages on Property within Guyana	26,036,740	9,684,416	35,721,156
Stocks and Shares		150,000	150,000
Total	<hr/> 26,273,210	<hr/> 11,874,753	<hr/> 38,147,963
Total Carried Forward	26,273,210	11,874,753	38,147,963

Particulars	<u>Local Companies</u>	<u>Foreign Companies</u>	Total
	\$	\$	\$
Brought Forward	26,273,210	11,874,53	38,147,965
Policies within their surrender value	4,673,445	7,113,787	11,787,232
Personal Security		10,595	10,595
Other Loans	3,328,929	345,275	3,674,204
Deposit with the Commissioner of Insurance	1,018,846	1,520,000	2,538,846
Other Government of Guyana Securities	8,624,567	9,435,413	18,059,980
Public Corporations and Government Ventures	357,500	4,314,790	4,672,290
Municipal Securities	1,550,027	1,011,759	2,561,786
Shares in local business	4,217,919	652,555	4,870,474
Treasury Bills	4,674,740	9,645,433	14,320,173
Cash on Fixed Deposits	744,193	1,164,944	1,909,137
Total	<u>55,463,376</u>	<u>47,098,304</u>	<u>102,561,680</u>

In addition to these amounts the following assets were held against these funds:—

	<u>Local</u> \$	<u>Foreign</u> \$	Total \$
Net current assets	889,250		889,250
Cash on current account and on hand	610,406	667,094	1,277,500
	<u>1,499,656</u>	<u>667,094</u>	<u>2,166,750</u>

In accordance with Section 30, subsection (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by companies carrying on Long-term insurance business is ninety five percent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	Local Companies	Foreign Companies \$	Total \$
Minimum Requirement	52,745,081	39,221,416	91,966,497
Actual Investments in Guyana	55,463,376	42,901,369	98,364,745
	+ 2,718,295	+ 3,679,953	+ 6,398,248

It will be observed that the Companies (local and foreign) invested a total of \$6,398,248 more than the minimum requirement. A detailed account of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30 subsection (3) of the Insurance Act every insurance company carrying on Long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty percent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this respect against the increases of the funds are as follows:

	Local Companies \$	Foreign Companies \$	Total \$
Increase in Funds	5,567,872	5,080,108	10,647,980
Minimum Investment requirement in Approved Securities	2,211,349	1,591,854	3,803,203
Amount actually invested	2,115,000	3,120,000	5,235,000
Excess/Deficit	- 96,349	+1,528,146	+1,431,797

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$96,806,839 at 31st December 1978, 23.9% was held in Government and Municipal Securities, 12.2% in loans to policy holders, 5.0% in local equity, 36.9% in Mortgages, and 14.8% in Treasury Bills.

Revenue Accounts

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$34,636,066 of which the amount of \$24,591,803 represents premium income i.e. 72.1%. The total expenditure amounted to \$23,860,619 and of this amount the sum of \$6,220,297 was in respect of payment of claims i.e. 26.1%. Details of this account are given at Appendix V.

**Insurance Business other than Long-Term,
or Motor, Marine, Aviation, and Transit
Insurance Business**

Three local companies and four foreign companies carried on this category of insurance business during 1978.

Revenue Account – Non-Long-Term

The receipts of the seven companies carrying on non-life business during 1978 amounted to \$19,416,063 of which the sum of \$11,949,361 was in respect of premiums. The claim ratio in relation to the premiums received is as follows:—

<u>Companies</u>	Net Premiums \$	Claims \$	\$
Guyana & Trinidad Mutual Fire Insurance Co. Ltd.	5,488,482	2,615,421	49.5
Hand-in-Hand Mutual Fire Insurance Co. Ltd.	3,032,508	259,461	8.5
Guyana Co-operative Insurance Service	1,569,415	667	.04
Colonial Fire & General Insurance Co. Ltd.	566,162	58,027	10.2
Guardian Royal Exchange Assurance Limited	46,914	30,174	64.3
Liverpool and London and Globe Insurance Co. Ltd	967,156	1,843,147	190.6
New India Assurance Co. Ltd.	278,724	645,132	231.4
Total	11,949,361	5,452,029	45.6

Details of the Revenue Account for non-long-term insurance business are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by Companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two local non-life companies and the Guyana Co-operative Insurance Service.

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana and Trinidad Mutual Fire Ins. Co. Ltd	Guyana Co-operative Ins. Service	Total
	\$	\$	\$	
Fixed Assets				
Lands & Buildings	563,403	1,177,834	185,865	1,927,102
Furniture & Equipment	83,178	429,336	320,446	832,960
Investments				
Guyana Government Securities	496,700	2,759,551	376,685	3,632,936
Municipal Securities	85,767	641,009		726,776
Shares and other Stock Debentures	1,079,181	893,672		1,972,853
Mortgage Loans	2,991,426	5,640,854		8,632,280
Other Loans		595,000	1,750,000	2,345,000
Guyana Government Treasury Bills	304,849	1,206,597	7,849,375	9,360,821
Fixed Deposits	44,226	354,010	100,000	498,236
Current Assets	2,235,477	1,622,489	3,974,630	7,832,596
Total	7,884,207	15,320,352	14,557,001	37,761,560

The total liabilities of these companies comprise:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-operative Ins. Service	Total
	\$	\$	\$	\$
Reserve for unexpired risks	2,014,303	3,129,860	2,021,889	7,166,052
Share Capital			1,602,000	1,602,000
Script Capital	1,508,452	1,000,000		2,508,452
Premiums Capital	1,247,865	1,346,321		2,594,186
Other Reserves and Provisions	2,403,472	6,986,252	921,759	10,311,483
Current Liabilities	2,687,244	7,061,642	10,011,353	19,760,239
Total	9,861,336	19,524,075	14,557,001	43,942,412

The two local non-life companies also operate in the West Indies and have off-shore investments to the value of \$6,280,852.

First Federation Life Insurance Company Limited

During 1978 the Guyana business of the First Federation Life Insurance Company Limited continued operation under the direct supervision of the Commissioner of Insurance. In order to protect the local policy holders, the servicing of existing policies in Guyana was continued, notwithstanding the liquidation of the Company, but the issue of new policies was discontinued. A report on the Balance Sheet relating to the Guyana business of the Company was prepared and submitted by a local Chartered Accountant.

Health Insurance Companies

Two local companies carried on Health Insurance business during 1978. The total income of the two companies amounted to \$1,252,546 of which the sum of \$1,246,199 was in respect of premiums. The total expenditure amounted to \$1,066,320 of which the sum of \$838,647 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfer

No amalgamation or transfer was effected during 1978.

Complaints and Enquiries

Five complaints were received during 1978; four in connection with non-payment of claims and one in respect of non-payment of commissions due to an Agent. Three of these complaints were settled to the satisfaction of the parties concerned while two engaged the attention of the High Court.

Third Caribbean Insurance Conference

The Commissioner of Insurance attended the Third Caribbean Insurance Conference held in Barbados during 11th and 13th September, 1978. The Conference was sponsored by the Insurance Association of the Caribbean which comprise members of the Insurance Industry throughout the Caribbean.

Participants of the Conference included Insurance Supervisory Authorities representatives from the Caribbean, Central America, Latin America, Canada, United States, and the United Kingdom. The Conference programme covered several aspects of the Insurance Industry including supervision and regulation, current trends in the Insurance business within the Caribbean, intra and inter regional co-operation and regional development of the Industry.

Regional Co-operation for development of the Insurance Industry

The Second and Third Meetings of the Working Party on the development of a regional insurance market were held on 23rd to 26th January, 1978 in Trinidad & Tobago and on 1st to 3rd November, 1978 in Guyana, respectively. It was not possible for the Commissioner of Insurance who is the Guyana Representative on the Working Party to attend the second meeting in Trinidad & Tobago.

The Commissioner of Insurance chaired the Third Meeting of the Working Party which was held in Guyana at the Caribbean Community Secretariat.

The Working Party reiterated its recommendations made in the Report of the Second Meeting, viz:—

- (i) that, in the context of regional co-operation there was a definite need to recognise in law a category of company that should be designated as a CARICOM/Regional entity;
- (ii) that there is a case for according to such an entity some measure of preferential treatment vis-a-vis extra regional or foreign companies among member states;
- (iii) that a CARICOM/Regional Insurance Company be defined as:
“a Company registered in, and in which a majority of the shares are owned by individuals and for companies ordinarily resident in any of the countries which are signatories to the Treaty of Chaguaramus, 1973”.

The Working Party also recommended:

- (a) that the current trend towards Pooling as practised by insurance companies of the Region be recognised and encouraged as a first step towards the establishment of a Regional Reinsurance Corporation;
- (b) that with regard to insurance education and training:
 - (i) it be recognised that there is an urgent need for education and training in the industry at all levels;
 - (ii) that at the national level, statistical data as to the national requirements for training in this field be obtained as soon as possible;
 - (iii) in addition, the Caribbean Community Secretariat and the Regional Insurance Adviser, Mr. S.V. Mony, be asked to collect this information on a regional basis in collaboration with the Insurance Association of the Caribbean.
 - (iv) that the Working Party seek technical assistance and funding from UNCTAD for a planned regional programme of education in insurance.

Professional Organisations

At 31st December, 1978, there were three professional Organisations viz:

- (i) The Insurance Association of Guyana
- (ii) The Insurance Institute of Guyana
- (iii) The Life Underwriters Association of Guyana.

Appreciation and Acknowledgement

In conclusion, I wish to express my appreciation of the Co-operation I received during the year from members of the Insurance Industry, and the Secretary to the Treasury and staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance.

APPENDIX I

COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA

Long Term Insurance

Non-Long Term Insurance excluding Motor
Vehicles, Marine, Aviation and Transit
Insurance.

Local:

- | | |
|--|---|
| 1: Demerara Mutual Life Assurance Society Limited. | 1: Guyana and Trinidad Mutual Insurance Company Limited. |
| 2: Guyana and Trinidad Mutual Life Insurance Company Limited | 2: Hand-in-Hand Mutual Fire Insurance Company Limited. |
| 3: Hand-in-Hand Mutual Life Insurance Company Limited | 3: Guyana Co-operative Insurance Service w.e.f. 1st July, 1976. |
| 4: Guyana Co-operative Insurance Service w.e.f. 1st January, 1977. | 4: Guyana Health Insurance Company. |
| | 5: Francis De Caires and Company |

Foreign

- | | |
|--|--|
| 5: American Life Insurance Company | 6: Colonial Fire and General Insurance Company Limited. |
| 6: British-American Life Insurance Company Limited | 7: New India Assurance Company Limited |
| 7: Caribbean Atlantic Life Insurance Company Limited | 8: The Liverpool & London & Globe Insurance Company Limited. |
| 8: Colonial Life Insurance Company (Trinidad) Limited. | 9: Guardian Royal Exchange Assurance Limited. |
| 9: First Federation Life Insurance Company Limited. | |
| 10: United Security Life Insurance Company Limited. | |

APPENDIX II

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>		<u>Amount of Securities Deposited</u>	
<u>Life Companies</u>		\$	\$
<u>Local:</u>			
Demerara Mutual Life Assurance Society Limited	250,000		
Guyana & Trinidad Mutual Life Insurance Company Limited	258,000		
Hand-in-Hand Mutual Life Insurance Company Limited	300,000		
Guyana Co-operative Insurance Service	250,000		1,058,000
<u>Foreign:</u>			
American Life Insurance Company	500,000		
British-American Life Insurance Company Limited	270,000		
Caribbean-Atlantic Life Insurance Company Limited	250,000		
Colonial Life Insurance Company (Trinidad) Limited	250,000		
First Federation Life Insurance Company Limited	250,000		
United Security Life Insurance Company Limited	250,000		1,770,000
<u>Non-Life Companies</u>			
<u>Local</u>			
Guyana & Trinidad Mutual Fire Insurance Company Limited	300,000		
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000		
Guyana Co-operative Insurance Service	250,000		800,000
<u>Foreign</u>			
Guardian Royal Exchange Assurance Limited	250,000		
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000		
New India Assurance Company Limited	250,000		
Liverpool & London & Globe Insurance Company Limited	250,000		1,000,000
	Total:		4,628,000

APPENDIX III
STATEMENT OF INVESTMENTS LONG-TERM INSURANCE FUND – 1978

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana and Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-operative Ins. Service.	Total Local Companies	American Life Ins. Co. Ltd.	British American Insurance Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Limited	United Security Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	21,100,635	27,441,293	6,817,997	161,214	55,521,139	17,557,201	6,944,154	6,595,906	9,788,483	399,956	96,806,839
Real Property											
Office Building	236,470	—	—	—	236,470	1,238,778	182,937	—	148,204	—	1,806,389
Other	—	—	—	—	—	—	—	144,201	326,217	—	470,418
Furniture and Fixtures	—	—	—	8,772	8,772	85,071	—	—	25,885	—	119,728
Loans on											
Mortgages on property within Guyana	11,773,513	10,370,282	3,892,945	—	26,036,740	3,309,970	3,542,702	156,940	2,674,804	—	35,721,156
Stocks and shares	—	—	—	—	—	—	—	150,000	—	—	150,000
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	2,017,897	2,210,521	445,027	—	4,673,445	2,685,729	859,492	1,419,568	2,076,900	72,098	11,787,232
Personal Security	—	—	—	—	—	—	—	—	10,595	—	10,595
Others	1,958,153	1,220,776	150,000	—	3,328,929	300,000	—	—	45,275	—	3,674,204
Investments											
Deposit with Commissioner of Insurance	261,140	257,706	250,000	250,000	1,018,846	500,000	270,000	250,000	250,000	250,000	2,538,846
Other Government of Guyana Securities	1,521,870	5,444,697	1,308,000	350,000	8,624,567	2,941,775	830,163	1,673,285	3,930,190	60,000	18,059,980
Public Corporations and Government Ventures	212,500	—	145,000	—	357,500	2,342,500	600,000	333,000	1,039,290	—	4,672,290
Municipal Securities	196,859	1,270,309	82,859	—	1,550,027	710,973	—	42,115	258,671	—	2,561,786
Shares in Local Businesses	2,705,241	1,356,945	155,733	—	4,217,919	452,212	—	—	200,343	—	4,870,474
Treasury Bills	—	4,044,733	432,493	197,514	4,674,740	7,743,376	649,400	859,645	393,012	—	14,320,173
Cash on Fixed Deposits	—	654,193	—	90,000	744,193	538,391	—	189,000	437,553	—	1,909,137
Current Assets (debts, etc.)	—	874,322	—	14,928	889,250	(5,444,117)	—	366,932	—	—	(4,187,935)
Foreign Deposits (if any)	—	—	—	—	—	—	—	—	—	—	—
Cash on Current Account and on hand	216,992	326,260	67,154	—	610,406	152,543	9,460	76,747	361,095	67,249	1,277,500
Total Assets	21,100,635	28,030,744	6,929,211	911,214	56,971,804	17,557,201	6,944,154	5,661,433	12,178,034	449,347	99,761,973
Total Assets invested in Guyana	20,883,643	26,830,162	6,862,057	887,514	55,463,376	17,319,587	6,934,694	5,217,754	11,791,054	382,098	98,364,745
95% of Long Term Insurance Fund	20,045,603	26,069,228	6,477,097	153,153	52,745,081	16,679,340	6,596,946	6,266,110	9,299,058	379,959	91,966,497
Excess/Deficit	838,040	760,934	384,960	734,361	2,718,295	640,247	337,748	(1,048,356)	2,491,996	2,139	6,398,248

APPENDIX IV

STATEMENT OF INVESTMENT IN APPROVED SECURITIES – 1978

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life. Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total Local Companies	American Life Ins. Co.	British American Life Ins. Co. Ltd.	Caribbean Atlantic Life Ins. Co.	Colonial Life Ins. Co. (T'd) Ltd.	United Security Life Ins. Co. Ltd.	Total
31st December, 1978	21,100,635	27,441,293	6,817,997	161,214	55,521,139	17,557,201	6,944,154	6,595,906	9,788,483	399,956	96,806,839
1st January, 1978	19,179,451	24,951,775	5,807,619	14,422	49,953,267	14,288,880	6,035,228	6,362,973	9,098,021	420,490	86,158,859
Increase in Fund	1,921,184	2,489,518	1,010,378	146,792	5,567,872	3,268,321	908,926	232,933	690,462	(20,534)	10,647,980
Amount to be invested	1,438,375*	497,904	245,712*	29,358	2,211,349	1,207,416*	181,785	46,586	138,092	17,975*	3,803,203
Amount Invested	1,100,000	700,000	265,000	50,000	2,115,000	1,310,000	300,000	300,000	1,200,000	10,000	5,235,000
Deficit/Excess	(338,375)	202,096	19,288	20,642	(96,349)	102,584	118,215	253,414	1,061,908	(7,975)	1,431,797

* Includes deficit for previous year.

APPENDIX V

LONG-TERM INSURANCE COMPANIES – REVENUE ACCOUNT – 1978

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana and Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-op Insurance Service	Total Local Companies	American Life Ins. Co. Ltd.	British American Insurance Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Limited	United Security Life Ins. Co. Ltd.	Total
INCOME											
Amount of Long-term Insurance Fund at beginning of the year	19,179,451	24,951,775	5,807,619	14,422	49,953,267	14,288,880	6,035,228	6,362,973	9,098,021	420,490	86,158,859
Adjustment to Fund	—	—	—	—	—	—	—	—	—	4	4
Premiums (less reinsurance)	4,555,822	4,047,370	1,710,890	309,836	10,623,918	7,938,935	2,226,195	789,583	2,916,221	96,951	24,591,803
Consideration for Annuities granted	339,557	1,766,704	—	—	2,106,261	347,490	—	—	—	—	2,453,751
Interests, dividends and rents	2,081,978	1,830,197	522,016	36,455	4,470,646	1,043,563	477,351	170,456	713,957	33,113	6,909,086
Other receipts	665,045	7,210	5,995	—	678,250	—	—	252	2,924	—	681,426
TOTAL:	26,821,853	32,603,256	8,046,520	360,713	67,832,342	23,618,868	8,738,774	7,323,264	12,731,123	550,558	120,794,929
EXPENDITURE											
Claims											
Death	299,539	556,459	125,794	12,000	993,792	757,942	229,258	256,476	426,390	53,250	2,717,108
Maturities	826,530	788,901	121,675	—	1,737,106	587,639	281,051	26,201	785,568	10,700	3,428,265
Other	947	7,347	653	62,934	71,881	—	250	—	2,793	—	74,924
Surrenders	857,442	540,417	134,792	300	1,532,951	703,608	124,956	243,917	183,851	4,122	2,793,405
Annuities	28,829	675,631	94,882	—	799,342	47,138	—	—	489	—	846,969
Bonuses to Policy Holders	—	—	—	—	—	450,490	11,200	4,427	16,305	807	483,229
Commissions	—	542,462	239,396	20,628	802,486	1,516,166	503,623	7,069	477,100	25,531	3,331,975
Expenses of Management	1,154,008	1,526,007	259,697	86,736	3,026,448	952,456	79,716	62,789	—	13,198	4,134,607
Home Office Expenses	—	—	—	—	—	698,517	277,737	126,479	432,329	32,256	1,567,318
Taxation	591,245	524,739	163,240	14,436	1,293,660	181,888	—	—	172,116	—	1,647,664
Other Payments	1,962,678	—	88,394	2,465	2,053,537	165,823	166,780	—	438,277	10,738	2,835,155
Amount of Long-term Insurance Fund	21,100,635	27,441,293	6,817,997	161,214	55,521,139	17,557,201	6,944,154	6,595,906	9,788,483	399,956	96,806,839
TOTAL:	26,821,853	32,603,256	8,046,520	360,713	67,832,342	23,618,868	8,618,725	7,323,264	12,723,701	550,558	120,667,458

APPENDIX VI

INSURANCE BUSINESS OTHER THAN LONG-TERM ON MOTOR, MARINE AVIATION
AND TRANSIT INSURANCE - REVENUE ACCOUNT - 1978

1978	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana Co-operative Ins. Service	Total Local Companies	Colonial Fire and General Ins Co. (T'd) Ltd.	Guardian Royal Exchange Ass. Ltd.	Liverpool & London and Globe Ins. Co. Ltd.	New India Assurance Co. Ltd.	Total
INCOME									
Amount of Fund at the beginning of the year:-									
Reserved for unexpired risks	3,223,268	2,045,331	212,840	5,481,439	38,401	48,955	677,442	110,409	6,356,646
Other Reserves	8,437,117	4,858,193	-	13,295,310	-	-	-	-	13,295,310
Premiums	5,488,482	3,032,508	1,569,415	10,090,405	566,162	46,914	967,156	278,724	11,949,361
Interests, dividends and rents	1,252,508	626,806	-	1,879,314	-	-	-	-	1,879,314
Profit from the sale of investments	-	195,785	-	195,785	46,261	-	-	-	242,046
Other Receipts	227,785	4,108	1,282,552	1,514,445	150,007	70,213	2,924,715	685,962	5,345,342
TOTAL	18,629,160	10,762,731	3,064,807	32,456,698	800,831	166,082	4,569,313	1,075,095	39,068,019
EXPENDITURE									
Claims under policies paid and outstanding	2,615,421	259,461	667	2,875,549	58,027	30,174	1,843,147	645,132	5,452,029
Expenses of Management:									
Commissions, Salaries	1,521,957	716,537	390,725	2,629,219	107,903	20,125	229,243	66,414	3,052,904
Others	333,087	655,420	399,074	1,387,581	100,764	6,482	171,020	-	1,665,847
Reinsurance	-	1,322,338	-	1,322,338	433,400	-	-	-	1,755,738
Interest or Dividends on Script Capital	59,400	89,134	-	148,534	-	-	-	-	148,534
Cash Profits	775,491	478,252	1,187,600	2,441,343	-	90,535	1,883,568	230,991	4,646,437
Pensions	72,245	7,960	-	80,205	-	-	-	-	80,205
Taxation	765,626	59,537	-	825,163	17,886	-	55,473	-	898,522
Other Payments	-	-	-	-	-	-	-	21,069	21,069
Investment Reserves	978,034	-	-	978,034	-	-	-	-	978,034
Reserved for unexpired risks	3,093,692	2,014,303	1,086,741	6,194,736	53,105	18,766	386,862	111,489	6,764,958
Other Reserves	8,418,229	5,159,789	-	13,578,018	-	-	-	-	13,578,018
TOTAL	18,633,182	10,762,731	3,064,807	32,460,720	771,085	166,082	4,569,313	1,075,095	39,042,295

APPENDIX VII

**HEALTH INSURANCE BUSINESS
REVENUE ACCOUNT – 1978**

	Guyana Health Insurance Limited	Francis De Caires Limited	Total
INCOME			
Premiums	410,500	835,699	1,246,199
Other Receipts	6,347	—	6,347
	416,847	835,699	1,252,546
EXPENDITURE			
Claims and benefits	324,487	514,160	838,647
Commissions	486	52,273	52,759
Expenses of Management	54,210	117,872	172,082
Depreciation of Equipment	2,832	—	2,832
Transfer to Profit and Loss Account	34,832	151,394	186,226
	416,847	835,699	1,252,546

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1979**

3rd April, 1982.

Comrade H.D. Hoyte, S.C., M.P.,
Vice-President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Ninth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1979.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

N I N T H R E P O R T
O F T H E C O M M I S S I O N E R O F I N S U R A N C E

Registration

At 31st December 1979, nineteen companies were registered under the Insurance Act. A list of the registered companies is shown at Appendix I and is classified as follows:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term Insurance Business	4	6	10
Other than Long-term, Motor Vehicle, Marine, Aviation, and Transit Insurance Business	5	4	9
	<hr/> 9	<hr/> 10	<hr/> 19

The following is a summary of the classes of insurance business carried on by Companies registered under the Act:—

<u>Class of Business Undertaken</u>	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
Long-term insurance, i.e. Life, Bond Investment, and Non-Cancellable Sickness and Accident	4	6	10
Property Insurance	3	4	7
Cancellable Group Life	4	2	6
Accident & Liability	3	3	6
Cancellable Sickness and Accident		4	4
Health	2		2

A register of the Companies has been maintained

Deposits

Seventeen registered insurance companies had deposited with the Commissioner of Insurance, the sum of four Million, six hundred and twenty eight thousand dollars (\$4,628,000) in Government of Guyana debentures at 31st December 1979. The two Health Insurance Companies were not required to make the deposit. A list of registered companies and the amount of securities deposited with the Commissioner of Insurance is shown at Appendix II.

Long-Term Insurance Business Statutory Funds

The Long-term insurance funds amounted to \$107,110,434, at 31st December 1979 compared to \$96,806,839 at 31st December 1978, viz:

4 local companies	\$60,772,242
5 foreign companies	\$46,338,192

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
		\$	\$
Real Estate	451,183	1,546,450	1,997,633
Loans on:			
Mortgages on Property within Guyana	26,467,360	10,354,374	36,821,734
Stocks & Shares		150,000	150,000
Policies within their surrender value	6,741,788	8,195,598	14,937,386
Total	<u>33,660,331</u>	<u>20,246,422</u>	<u>53,906,753</u>
Total Carried Forward	33,660,331,	20,246,422	53,906,753

Particulars	<u>Local Companies</u>	<u>Foreign Companies</u>	Total
	\$	\$	\$
Total Brought Forward	33,660,331	20,246,422	53,906,753
Personal Security		12,231	12,231
Other Loans	1,966,877		1,966,877
Deposit with the Commissioner of Insurance	768,846	1,520,000	2,288,846
Other Government of Guyana Securities	10,673,829	10,696,949	21,370,778
Public Corporations and Government Ventures	1,402,500	6,267,500	7,670,000
Municipal Securities	1,562,008	964,072	2,526,080
Shares in local business	4,742,676	910,216	5,652,892
Treasury Bills	1,439,246	9,169,561	10,608,807
Cash on Fixed Deposits	4,515,913	571,652	5,087,565
Total	60,732,226	50,358,603	111,090,829

In addition to these amounts the following assets were held against these funds:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	\$	\$	\$
Net current assets	1,621,467		1,621,467
Foreign Investments	259,971		259,971
Cash on current account and on hand	856,630	701,637	1,558,267
	2,738,068	701,637	3,439,705

In accordance with Section 30, subsection (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by companies carrying on Long-term insurance business is ninety five per cent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Minimum Requirement	57,733,628	44,021,281	101,754,909
Actual Investment in Guyana	60,992,197	44,519,813	105,512,010
Excess/Deficit	+3,258,569	+498,532	+3,757,101

The companies therefore invested the sum of \$3,757,101 more than the amount required to be invested.

A detailed account of the Long-term Insurance Funds of the registered Companies and relevant investments is shown at Appendix III.

Investment Requirement in Approved Securities

Under Section 30, Subsection (3) of the Insurance Act every insurance company carrying on long-term insurance business in Guyana is required to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this regard against the increases of the Funds are as follows:—

	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Increase in Funds	5,251,103	5,052,492	10,303,595
Minimum Investment requirement in approved securities	1,388,594	1,022,908	2,411,502
Amount actually invested	1,810,000	1,600,000	3,410,000
Excess/Deficit	+421,406	+577,092	+998,498

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$107,110,434 at 31st December 1979, 24.4% was held in Government and Municipal Securities, 13.9% in loans to policy holders 5.2% in local equity, 34.4% in mortgages, 9.9% in Treasury Bills.

Revenue Account

The total income of the companies in respect of their long-term insurance business done in Guyana amounted to \$37,754,794 of which the amount of \$26,268,351 represents premium income, i.e. 69.6%. The total expenditure amounted to \$26,695,459 and of this amount the sum of \$6,843,089 was in respect of payment of claims i.e. 25.6%. Details of this account are given at Appendix V.

**Insurance Business other than Long-term or Motor,
Marine, Aviation, and Transit Insurance Business**

During 1979, three local companies and four foreign companies carried on this category of insurance business.

Revenue Account – Non Long-Term

The receipts of the seven companies carrying on non-long-term insurance business during 1979 amounted to \$18,089,873 of which the sum of \$12,326,360 was in respect of premiums. The claim ratio in relation to the premiums received is as follows:–

<u>Companies</u>	<u>Net Premiums</u>	<u>Claims</u> \$	<u>%</u>
Guyana & Trinidad Mutual Fire Insurance Company Limited	5,515,955	1,824,126	33.1
Hand-in-Hand Mutual Fire Insurance Company Limited	3,358,290	76,109	2.2
Guyana Co-operative Insurance Service	808,811	108,228	13.4
Colonial Fire and General Insurance Company Limited	1,009,484	73,517	7.3
Guardian Royal Exchange Assurance Limited	(546)	5,090	
Liverpool and London and Globe Insurance Company Limited	1,329,009	3,006,648	226.2
New India Assurance Company Limited	305,357	452,711	148.2
Total	12,326,360	5,546,429	44.9

Details of the Revenue Account for non-long-term insurance business are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two local non-life companies and the Guyana Co-operative Insurance Service.

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total
	\$	\$	\$	\$
Fixed Assets				
Lands & Buildings	1,766,417	1,177,834	342,772	3,287,023
Furniture & Equipment	74,041	460,770	317,222	852,033
Investments				
Guyana Government Securities	476,700	2,819,245	2,879,053	6,174,998
Municipal Securities	80,030	733,044		813,074
Shares and Other Stock				
Debentures	1,424,198	1,243,425		2,667,623
Mortgage Loans	2,725,206	6,070,390		8,795,596
Other Loans		1,210,000	3,500,000	4,710,000
Guyana Government Treasury Bills		978,412	7,529,212	8,507,624
Fixed Deposits	716,345	674,424	300,000	1,690,769
Current Assets	1,379,877	1,891,862	7,367,196	10,638,935
Total	8,642,814	17,259,406	22,235,455	48,137,675

The total liabilities of these companies comprise:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total
	\$	\$	\$	\$
Reserve for Un-expired Risks	2,014,511	3,232,789	1,318,290	6,565,590
Share Capital			1,602,000	1,602,000
Script Capital	1,508,452	1,000,000		2,508,452
Premiums Capital	1,558,942	1,469,736		3,028,678
Other Reserves and Provisions	3,476,611	7,862,407	1,823,329	13,162,347
Current Liabilities	2,208,756	8,201,991	17,491,836	27,902,583
Total	<u>10,767,272</u>	<u>21,766,923</u>	<u>22,235,455</u>	<u>54,769,650</u>

The two local non-life companies also operate in the West Indies and have off shore investments to the value of \$6,731,975.

First Federation Life Insurance Company Limited

In August 1979, approval was given in relation to an Agreement entered into between the local management of the First Federation Life Insurance Company Limited and the Liquidator of the Company in the Bahamas, for

- (a) The Guyana business to be reconstituted into a Mutual Company and
- (b) The Liquidator in the Bahamas to transfer to the reconstituted Company, all the Guyana Records, Assets, and Liabilities for the consideration of US\$57,000 agreed upon.

At 31st December 1979 action in this regard had not been finalised.

Health Insurance Companies

Two local companies carried on Health Insurance business during 1979. The total income of the two companies amounted to \$1,261,836 of which the sum of \$1,253,450 was in respect of premiums. The total expenditure amounted to \$1,228,064 of which the sum of \$963,011 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during 1979.

Complaints and Enquiries

During 1979 two complaints were received in respect of non-payment of claims. An appeal was also made for the waiver of the withholding tax on a life insurance policy. The complaints were settled to the satisfaction of the parties concerned, but in the case of the appeal the policy holder was informed that there was no provision in the law for the remission of withholding tax in the given circumstances.

Regional Co-operation for the development of the Insurance Industry

Agreement was reached at the Fifth Meeting of the Standing Committee of Ministers responsible for Finance that there was scope for greater regional co-operation in certain aspects of insurance matters. It was expected however, that the recommendations of the Working Party on the development of the Regional Insurance market would be discussed at the Sixth Meeting of the Standing Committee of Ministers responsible for Finance to be held during 1980.

Professional Organisations

At 31st December 1979, there were three professional organisations viz:

- (i) The Insurance Association of Guyana;
- (ii) The Insurance Institute of Guyana;
- (iii) The Life Underwriters Association of Guyana.

Rate of Interest Act 1979

In December 1979 the Rate of Interest Act (No. 13 of 1979) was passed. This Act provides for the prescription by Order of a maximum rate of interest in respect of contracts. Under the Act the maximum rates of interest which Insurance Companies, Trust Companies and other Institutions, may charge on mortgage loans as well as other loans would be prescribed by Order of the Minister of Finance.

At 31st December 1979 however, the Order prescribing maximum rates of interest which may be charged, was not made.

Appreciation and acknowledgement

I wish to place on record my appreciation of the co-operation I received during the year from members of the Insurance Industry, and the Secretary to the Treasury and staff of the Ministry of Finance.

P.A. Bender
Commissioner of Insurance

APPENDIX I

COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA

Long Term Insurance

- 1: Demerara Mutual Life Assurance Society Limited.
- 2: Guyana and Trinidad Mutual Life Insurance Company Limited
- 3: Hand-in-Hand Mutual Life Insurance Company Limited
- 4: Guyana Co-operative Insurance Service w.e.f. 1st January, 1977.

Foreign

- 5: American Life Insurance Company
- 6: British-American Life Insurance Company Limited
- 7: Caribbean Atlantic Life Insurance Company Limited
- 8: Colonial Life Insurance Company (Trinidad) Limited.
- 9: First Federation Life Insurance Company Limited.
- 10: United Security Life Insurance Company Limited.

Non-Long Term Insurance excluding Motor Vehicles, Marine, Aviation and Transit Insurance.

- 1: Guyana and Trinidad Mutual Fire Insurance Company Limited.
- 2: Hand-in-Hand Mutual Fire Insurance Company Limited.
- 3: Guyana Co-operative Insurance Service w.e.f. 1st July, 1976.
- 4: Guyana Health Insurance Company.
- 5: Francis De Caires and Company
- 6: Colonial Fire and General Insurance Company Limited.
- 7: New India Assurance Company Limited
- 8: The Liverpool & London & Globe Insurance Company Limited.
- 9: Guardian Royal Exchange Assurance Limited.

APPENDIX II

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities Deposited</u>	
<u>Life Companies</u>	\$	\$
Demerara Mutual Life Assurance Society Limited	250,000	
Guyana & Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	
Guyana Co-operative Insurance Service	250,000	1,058,000
<u>Foreign:</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean-Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,770,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana & Trinidad Mutual Fire Insurance Company Limited	300,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	
Guyana Co-operative Insurance Service	250,000	800,000
<u>Foreign</u>		
Guardian Royal Exchange Assurance Limited	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
Total:		4,628,000

APPENDIX III
STATEMENT OF INVESTMENTS LONG-TERM INSURANCE FUND – 1979

	Demerara Mutual Life Ass. Soc. Ltd.	Guyana and Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-operative Ins. Service	Total Local Companies	American Life Ins. Co. Ltd.	British American Insurance Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Limited	United Security Life Ins. Co. Ltd	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Term Insurance Fund	23,363,099	29,604,345	7,417,392	387,406	60,772,242	20,808,939	7,137,559	6,884,909	11,129,012	377,773	107,110,434
<u>Real Property</u>											
Office Building	387,569	—	—	—	387,569	1,201,185	175,256	—	—	—	1,764,010
Other	—	—	63,614	—	63,614	—	—	144,201	25,808	—	233,623
Furniture & Fixtures	—	—	—	10,879	10,879	83,962	—	—	—	—	94,841
<u>Loans On</u>											
Mortgages on property within Guyana	10,124,108	11,951,601	4,391,651	—	26,467,360	3,393,391	3,835,179	245,313	2,880,491	—	36,821,734
Stocks and Shares	—	—	—	—	—	—	—	150,000	—	—	150,000
Life Interests and Reversions	—	—	—	—	—	—	—	—	—	—	—
Policies within the surrender value	3,510,936	2,711,457	519,395	—	6,741,788	3,318,469	956,261	1,415,790	2,421,311	83,767	14,937,386
Personal Security	—	—	—	—	—	—	—	—	12,231	—	12,231
Others	851,877	1,115,000	—	—	1,966,877	—	—	—	—	—	1,966,877
<u>Investments</u>											
Deposit with Commissioner of Insurance	261,140	257,706	250,000	—	768,846	500,000	270,000	250,000	250,000	250,000	2,288,846
Other Government of Guyana Securities	2,245,231	6,069,098	1,559,500	800,000	10,673,829	3,073,956	1,132,131	1,674,312	4,726,550	90,000	21,370,778
Public Corporations and Government Ventures	1,212,500	—	190,000	—	1,402,500	4,832,500	750,000	685,000	—	—	7,670,000
Municipal Securities	214,661	1,264,859	82,488	—	1,562,008	679,827	—	40,400	243,845	—	2,526,080
Shares in Local Businesses	2,923,877	1,593,245	245,554	—	4,742,676	553,623	—	—	356,593	—	5,652,892
Treasury Bills	—	1,439,246	—	—	1,439,246	8,313,475	—	856,086	—	—	10,608,807
Cash on Fixed Deposits	1,300,000	2,323,228	812,685	80,000	4,515,913	571,652	—	—	—	—	5,087,565
Current Assets (debts, etc.)	—	1,621,467	—	—	1,621,467	(5,838,790)	—	373,006	—	—	(3,844,317)
Foreign Deposits (if any)	—	—	259,971	—	259,971	—	—	—	—	—	259,971
Cash on Current Account and on hand	331,200	412,155	113,275	—	856,630	125,689	18,732	263,454	212,183	81,579	1,558,267
Total Assets	23,363,099	30,739,062	8,488,133	890,879	63,481,173	20,808,939	7,137,559	6,097,562	11,129,012	505,346	109,159,591
Total Assets Invested in Guyana	23,031,899	28,705,440	8,374,858	880,000	60,992,197	20,599,288	7,118,827	5,461,102	10,916,829	423,767	105,512,010
95% of Long Term Insurance Fund	22,194,944	28,124,127	7,046,522	368,035	57,733,628	19,768,492	6,780,681	6,540,663	10,572,561	358,884	101,754,909
Excess/Deficit	836,955	581,313	1,328,336	511,965	3,258,569	830,796	338,146	(1,079,561)	344,268	64,883	3,757,101

APPENDIX IV

Statement of Investment in Approved Securities – 1979

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc. Ltd.	Guyana & Trinidad Mutual Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total Local Companies	American Life Ins. Co.	British American Life Ins. Co.	Caribbean Atlantic Life Ins. Co.	Colonial Life Ins. Co (T'd) Ltd.	United Security Life Ins. Co. Ltd.	Grand Total
31st December 1979	23,363,099	29,604,345	7,417,392	387,406	60,772,242	20,808,939	7,137,559	6,884,909	11,129,012	377,773	107,110,434
1st January 1979	21,100,635	27,441,293	6,817,997	161,214	55,521,139	17,557,201	6,944,154	6,595,906	9,788,483	399,956	96,806,839
Increase in Fund	2,262,464	2,163,052	599,395	226,192	5,251,103	3,251,738	193,405	289,003	1,340,529	(22,183)	10,303,595
Amount to be invested	790,867*	432,610	119,879	45,238	1,388,594	650,347	38,681	57,800	268,105	7,975*	2,411,502
Amount invested	360,000	700,000	300,000	450,000	1,810,000	700,000	—	—	900,000	—	3,410,000
Deficit/Excess	(430,867)	267,390	180,121	404,762	421,406	49,653	(38,681)	(57,800)	631,895	(7,975)	998,498

* Includes deficit for previous year.

APPENDIX V

Long-Term Insurance Companies – Revenue Account – 1979

	Demerara Mutual Life Ass. Soc.	Guyana & Trinidad Life Ins. Co. Ltd.	Hand-in-Hand Mutual Life Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total Local Companies	American Life Ins. Co. Ltd.	British American Ins. Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Ltd.	United Security Life Ins. Co. Ltd.	Total
INCOME											
Amount of Long-Term Insurance Fund at beginning of the year	21,100,635	27,441,293	6,817,997	161,214	55,521,139	17,557,201	6,944,154	6,595,906	9,788,483	399,956	96,806,839
Adjustment to Fund	—	—	—	—	—	—	—	—	—	104,499	104,499
Premiums (less reinsurance)	4,436,513	4,477,679	2,083,059	539,558	11,536,809	8,857,881	1,988,869	745,182	3,139,610	—	26,268,351
Consideration for Annuities granted	530,022	1,441,551	—	—	1,971,573	256,673	—	—	—	—	2,228,246
Interests, dividends and rents	2,102,216	2,030,748	665,566	77,103	4,875,633	1,556,938	625,085	183,509	967,413	27,560	8,236,138
Other receipts	828,395	50,765	26,906	1,141	907,207	—	—	164	10,189	—	917,560
TOTAL:	28,997,781	35,442,036	9,593,528	779,016	74,812,361	28,228,693	9,558,108	7,524,761	13,905,695	532,015	134,561,633
EXPENDITURE											
Claims:—											
Death	435,057	608,701	328,087	25,370	1,397,215	1,237,122	225,919	252,604	213,774	16,307	3,342,941
Maturities	587,088	778,047	237,269	—	1,602,404	771,311	408,298	25,062	502,181	34,109	3,343,365
Other	206	3,513	29,411	120,986	154,116	—	—	—	2,667	—	156,783
Surrenders	868,195	417,568	166,230	1,189	1,453,182	938,640	77,053	240,001	182,356	3,159	2,894,391
Annuities	41,624	1,243,917	88,239	—	1,373,780	38,423	—	—	11,099	—	1,423,302
Bonuses to Policy Holder	—	—	—	—	—	459,284	996	759	1,821	375	463,235
Commissions	666,121	552,496	510,722	66,384	1,795,723	1,592,117	485,646	6,933	538,821	27,103	4,446,343
Expenses of Management	445,006	1,627,488	362,657	140,433	2,575,584	1,122,799	341,896	49,428	—	12,542	4,102,249
Home Office Expenses	—	—	—	—	—	784,960	88,762	99,079	574,235	30,518	1,577,554
Taxation	629,254	605,961	213,521	30,985	1,479,721	571,821	—	—	148,704	20,000	2,220,246
Other payments	1,206,391	—	240,000	6,263	1,452,654	(96,723)	791,979	(34,014)	601,025	10,129	2,725,050
Amount of Long-term Insurance Fund	23,363,099	29,604,345	7,417,392	387,406	60,772,242	20,808,939	7,137,559	6,884,909	11,129,012	377,773	107,110,434
TOTAL:	28,242,041	35,442,036	9,593,528	779,016	74,056,621	28,228,693	9,558,108	7,524,761	13,905,695	532,015	133,805,893

APPENDIX VI

Insurance Business other than Long-Term or Motor, Marine, Aviation
and Transit Insurance – Revenue Account – 1979

1979	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana Co-operative Ins. Service	Total Local Companies	Colonial Fire and General Ins.Co. (T'd) Ltd.	Guardian Royal Exchange Ass. Ltd.	Liverpool & London Globe Ins. Co. Ltd.	New India Assurance Co. Ltd.	Total
INCOME									
Amount of Fund at the beginning of the year:—									
Reserve unexpired risks	3,093,692	2,014,303	457,734	5,565,729	53,105	18,766	386,862	111,489	6,135,951
Other Reserves	9,349,358	5,978,114	—	15,327,472	—	—	—	—	15,327,472
Premiums	5,515,955	3,358,290	808,811	9,683,056	1,009,484	(546)	1,329,009	305,357	12,326,360
Interest, dividends & rents	1,412,785	638,833	—	2,051,618	—	—	—	—	2,051,618
Profit from sale of Investment	—	(2,043)	—	(2,043)	33,554	—	—	—	31,511
Other receipts	190,119	618	1,774,972	1,965,709	231,795	10,902	1,321,317	150,661	3,680,384
TOTAL:	19,561,909	11,988,115	3,041,517	34,591,541	1,327,938	29,122	3,037,188	567,507	39,553,296
EXPENDITURE									
Claims under policies paid and outstanding	1,824,126	76,109	108,228	2,008,463	73,517	5,090	3,006,648	452,711	5,546,429
Expenses of Management:—									
Commissions, Salaries	1,248,889	785,441	375,942	2,410,272	146,032	2,051	302,067	70,844	2,931,266
Others	702,266	725,936	458,747	1,886,949	146,681	1,533	220,704	—	2,255,867
Reinsurance	—	1,060,404	—	1,060,404	850,516	—	—	—	1,910,920
Interest or dividends on script capital	59,400	89,134	—	148,534	—	—	—	—	148,534
Cash Profits	829,482	532,946	1,775,076	3,137,504	—	20,146	(1,026,806)	(101,236)	2,029,608
Pensions	62,303	7,960	—	70,263	—	—	—	—	70,263
Taxation	1,327,797	151,669	—	1,479,466	351	—	1,637	—	1,481,454
Other Payments	—	—	—	—	—	—	—	23,045	23,045
Investment Reserves	1,047,394	—	—	1,047,394	—	—	—	—	1,047,394
Reserve for unexpired risks	3,188,908	2,014,511	323,524	5,526,943	63,587	302	532,938	122,143	6,245,913
Other Reserves	9,281,219	6,544,005	—	15,825,224	—	—	—	—	15,825,224
TOTAL:	19,571,784	11,988,115	3,041,517	34,601,416	1,280,684	29,122	3,037,188	567,507	39,515,917

APPENDIX VII

**HEALTH INSURANCE BUSINESS
REVENUE ACCOUNT – 1979**

	Guyana Health Insurance Limited	Francis De Caires Limited	Total
INCOME			
Premiums	392,837	860,613	1,253,450
Other Receipts	8,386	—	8,386
Total	401,223	860,613	1,261,836
EXPENDITURE			
Claims and benefits	321,326	641,685	963,011
Commissions	—	18,387	18,387
Expenses of Management	71,681	167,657	239,338
Depreciation of Equipment	2,242	5,086	7,328
Transfer to Profit & Loss Account	5,974	27,798	33,772
Total	401,223	860,613	1,261,836

**REPORT
OF
THE COMMISSIONER OF INSURANCE
FOR THE YEAR ENDED
31ST DECEMBER, 1980**

3rd April, 1982

Comrade H.D. Hoyte, S.G., M.P.,
Vice-President,
Economic Planning & Finance,
Georgetown,
Guyana.

Dear Cde. Vice-President,

I have the honour to submit to you for presentation to the National Assembly the Tenth Annual Report dealing with the general administration of the Insurance Act 1970, in respect of the year ended 31st December, 1980.

Yours co-operatively,

P.A. Bender
Commissioner of Insurance

**TENTH REPORT
OF THE COMMISSIONER OF INSURANCE**

Registration

At 31st December 1980, nineteen companies were registered under the Insurance Act. A list of the registered companies is shown at Appendix I and is classified as follows:—

	Local	<u>Foreign</u>	Total
Long-term Insurance Business	4	6	10
Other than Long-term, Motor Vehicle, Marine, Aviation, and Transit Insurance Business	5	4	9
Total	<u>9</u>	<u>10</u>	<u>19</u>

The following is a summary of the classes of insurance business carried on by Companies registered under the Act:--

<u>Class of Business Undertaken</u>		<u>Foreign</u>	<u>Total</u>
Long-term insurance i.e. Life, Bond Investment, and Non-Cancellable Sickness and Accident	4	6	10
Property Insurance	3	4	7
Cancellable Group Life	4	2	6
Accident and Liability	3	3	6
Cancellable Sickness and Accident		4	4
Health	2		2

A register of the Companies has been maintained.

Deposits

Seventeen registered insurance companies had deposited with the Commissioner of Insurance, the sum of four million, five hundred and eighty thousand, five hundred dollars (\$4,580,500) in Government of Guyana debentures at 31st December 1980. The two Health Insurance Companies were not required to make the deposit. A list of registered companies and the amount of securities deposited with the Commissioner of Insurance is shown at Appendix II.

Long-term Insurance Business Statutory Funds

At 31st December 1980 the Long-term insurance funds amounted to \$120,969,042 compared to \$107,110,434 at 31st December 1979 viz:

4 local companies	\$ 68,580,595
5 foreign companies —	\$ 52,388,447
	<u>\$ 120,969,042</u>

The amounts invested in Guyana against these funds were as follows:—

<u>Particulars</u>	<u>Local Companies</u> \$	<u>Foreign Companies</u> \$	<u>Total</u> \$
Real Estate	452,439	1,356,356	1,808,795
Loans on:			
Mortgages on Property within Guyana	31,150,958	11,288,212	42,439,170
Total	<u>31,603,397</u>	<u>12,644,568</u>	<u>44,247,965</u>
Total Carried Forward	31,603,397	12,644,568	44,247,965

<u>Particulars</u>	<u>Local Companies</u>	<u>Foreign Companies</u>	<u>Total</u>
	\$	\$	\$
Total Brought Forward	31,603,397	12,644,568	44,247,965
Policies within their surrender value	8,463,928	9,472,826	17,936,754
Other Loans	1,115,000		1,115,000
Deposit with Commissioner of Insurance	780,790	1,520,000	2,300,790
Other Government of Guyana Securities	11,699,398	16,452,301	28,151,699
Public Corporations and Government Ventures	1,357,500	7,915,663	9,273,163
Municipal Securities	1,351,249	887,447	2,238,696
Shares in local business	6,489,035	1,277,910	7,766,945
Treasury Bills	3,265,691	7,900,956	11,166,647
Cash on Fixed Deposits	2,230,682	358,116	2,588,798
	<u>68,356,670</u>	<u>58,429,787</u>	<u>126,786,457</u>

In addition to these amounts the following assets were held against these funds:—

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	\$	\$	\$
et Current Assets	1,913,152	286,154	2,199,306
Foreign Deposits	415,971		415,971
Cash on Current Account and on hand	851,469	400,386	1,251,855
	<u>3,180,592</u>	<u>686,540</u>	<u>3,867,132</u>

Under Section 30, subsection (1) of the Insurance Act, the minimum amount that is required to be invested in assets in Guyana by companies carrying on Long-term insurance business is ninety-five per cent of the Long-term Insurance Fund. The minimum investment requirements of these funds and the actual investments in respect of assets held in Guyana were as follows:—

	Local Companies \$	Foreign Companies \$	Total \$
Minimum Requirement	65,151,564	49,769,022	114,920,586
Actual Investment in Guyana	68,356,670	50,849,866	119,206,536
Excess/Deficit	+ 3,205,106	+ 1,080,844	+ 4,285,950

It will be observed that the local companies invested the sum of \$3,205,106 more than the amount required to be invested; the foreign companies invested \$1,080,844 more, resulting in an overall excess of \$4,285,950.

A detailed account of the Long-term Insurance Funds of the registered companies and relevant investments is shown at Appendix III.

Investment Requirements in Approved Securities

Section 30, subsection (3) of the Insurance Act requires every insurance company carrying on long-term insurance business in Guyana to invest in securities approved by the Minister an amount equal to twenty per cent of the annual increase of its Long-term Insurance Fund. The approved securities are Government of Guyana debentures and the total investments made in this regard against the increases of the funds are as follows:—

	Local Companies \$	Foreign Companies \$	Total \$
Increase in Funds	7,808,353	6,050,255	13,858,608
Minimum Investment requirement in approved securities	1,992,536	1,458,528	3,451,064
Amount actually invested	2,105,000	5,500,000	7,605,000
Excess/Deficit	+ 112,464	+ 4,041,472	+ 4,153,936

A detailed statement of investments in approved securities is shown at Appendix IV.

Investment Ratio

Of the total reserves of \$120,969,042 at 31st December 1980, 26.9% was invested in Government and Municipal Securities, 14.8% in loans to policy holders, 6.4% in local equity, 7.6% in Public Corporations and Government Ventures, 35.1% in mortgages and 9.3% in Treasury Bills.

Revenue Account

The total income of the Companies in respect of their long-term insurance business done in Guyana amounted to \$43,701,316, of which the sum of \$29,596,645 represents premium income, i.e. 67.7%. The total expenditure amounted to \$30,004,144 and of this amount the sum of \$8,126,733 was in respect of payment of claims i.e. 27.0%. Details of this account are given at Appendix V.

**Insurance Business other than Long-Term
or Motor, Marine, Aviation, and Transit
Insurance Business**

Three local companies, and four foreign companies carried on this category of insurance business during 1980.

**Revenue Account – Non Long-Term Insurance
Business**

The receipts of the seven companies carrying on non-long term insurance business amounted to \$21,168,574 of which the sum of \$13,389,344 was in respect of premiums. The claim ratio in relation to the premiums received is as follows:

<u>Companies</u>	<u>Net Premiums</u> \$	<u>Claims</u> \$	
Guyana & Trinidad Mutual Fire Insurance Company Ltd.	5,596,207	2,593,684	46.4
Hand-in-Hand Mutual Fire Insurance Company Ltd.	3,865,162	204,868	5.1
Guyana Co-operative Insurance Service	994,800	170,349	17.2
Colonial Fire and General Insurance Company Ltd	1,274,538	73,999	5.8
Guardian Royal Exchange Assurance Ltd.			
Liverpool and London and Globe Insurance Company Ltd.	1,344,068	2,843,120	215.3
New India Assurance Company Limited	314,569	313,167	99.5
Total	<u>13,389,344</u>	<u>6,199,187</u>	<u>46.3</u>

Guardian Royal Exchange Assurance Limited ceased carrying on insurance business during 1979 and at 31st December 1980 was in the process of winding up its business in Guyana.

Details of the Revenue Account in respect of non-long-term insurance business are shown at Appendix VI.

Local Investments

There is no statutory obligation for local investments by companies carrying on insurance business other than long-term. However, the following is a summary of the assets held locally by the two local non-life companies and the Guyana Co-operative Insurance Service:

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total
	\$	\$	\$	\$
Fixed Assets				
Lands & Buildings	1,890,035	1,171,834	543,081	3,604,950
Furniture & Equipment	72,446	469,245	304,763	846,454
Investments				
Guyana Government Securities	461,700	2,777,473	2,734,333	5,973,506
Municipal Securities	75,788	726,280		802,068
Shares and other Stock Debentures	1,421,491	1,244,726		2,666,217
Mortgage Loans	2,498,559	5,336,396		7,834,955
Other Loans		1,335,000	3,000,000	4,335,000
Guyana Government Treasury Bills		976,325	7,524,384	8,500,709
Fixed Deposits	1,131,836	786,373	2,250,000	4,168,209
Current Assets	775,723	2,450,039	9,918,612	13,144,374
Total	8,327,578	17,273,691	26,275,173	51,876,442

The total liabilities of these companies comprise:—

	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana & Trinidad Mutual Fire Ins. Co. Ltd.	Guyana Co-op Ins. Service	Total
		\$	\$	\$
Reserve for Un-expired Risks	2,253,022	3,525,458	1,547,259	7,325,739
Share Capital			2,002,500	2,002,500
Script Capital	1,508,452	1,000,000		2,508,452
Premiums Capital	1,633,677	1,307,979		2,941,656
Other Reserves and Provisions	3,869,117	8,560,509	3,189,038	15,618,664
Current Liabilities	1,570,511	7,650,136	19,536,376	28,757,023
Total	10,834,779	22,044,082	26,275,173	59,154,034

The two local non-life companies also operate in the West Indies and have off shore investments to the value of \$7,277,592.

First Federation Life Insurance Company Limited

On the 30th October 1980 the First Federation Mutual Life Insurance Company Limited was incorporated as a Company under the Companies Act, Chapter 89:01. At 31st December 1980, however, arrangements were still being finalised for the liquidator of the First Federation Life Insurance Company Limited to transfer all the Guyana Assets, liabilities and records to the reconstituted Mutual Company. Arrangements were also being made to have the registration transferred to the reconstituted First Federation Mutual Life Insurance Company Limited.

Health Insurance Companies

Two local companies carried on Health Insurance business during 1980. The total income of the two companies amounted to \$1,405,960 of which the sum of \$1,393,135 was in respect of premiums. The total expenditure amounted to \$1,320,817 of which the sum of \$1,069,591 was paid in claims and benefits. A detailed revenue account of the Health Insurance Business is shown at Appendix VII.

Amalgamation and Transfers

No amalgamation or transfer was effected during 1980.

Complaints and Enquiries

During 1980 four complaints were received – two in respect of non payment of claims; one in relation to a person who could not afford to continue paying premiums on a life policy and was told by the Company that he would lose all the contributions he paid, and the fourth complaint was in connection with the suspension of a policy by a Company. With respect to the two complaints for non payment of claims one was engaging the attention of the High Court at 31st December 1980. The other complainant did not submit certain documents which were required by the Company. In the case of the person who could not afford to continue paying premiums on a life policy, that person did not respond to an invitation to visit my office and discuss the matter. The fourth complaint in connection with the suspension of a policy was settled to the satisfaction of the complainant.

Fourth Caribbean Insurance Conference

The Commissioner of Insurance attended the Fourth Caribbean Insurance Conference held in the Bahamas from 21st to 24th September 1980. The Caribbean Insurance Conferences are sponsored by the Insurance Association of the Caribbean which comprise members of the Insurance Industry throughout the Caribbean. Participants of the Conference included Insurance Supervisory Authorities, representatives from the Caribbean, Central America, Canada, the United Kingdom and the United States of America. The conference programme covered several aspects of the Insurance Industry including insurance education in the Caribbean, problems and opportunities of insuring inter-regionally, investment opportunities in the Caribbean, and reinsurance in the Caribbean. The Conference was very successful.

Regional Co-operation for the development of the Insurance Industry

The Sixth Meeting of Ministers Responsible for Finance was not convened during 1980 as was proposed. As a result, the recommendations of the Working Party on regional co-operation for the development and supervision of the insurance industry in the Region could not have been examined.

Professional Organisations

At 31st December 1980, there were three professional Organisations viz:

- (i) The Insurance Association of Guyana;
- (ii) The Insurance Institute of Guyana, and
- (iii) The Life Underwriters Association of Guyana.

Rate of Interest Order 1980

On the 17th September 1980 the Rate of Interest Order No 62 of 1980 was made by the Minister of Finance. Under Section 3 of the Order the maximum rates of interest which may be charged by Insurance Companies for the loan of money, including a loan secured by mortgage of immovable property, are as follows:—

- | | |
|------------------------|----------------|
| (a) Domestic Lending | 8½% per annum |
| (b) Commercial Lending | 12½% per annum |

The Insurance Association of Guyana raised the question of the rate of interest prescribed for domestic lending when compared with rates of return available on alternative investment, as well as the higher rates prescribed for domestic lending by the other incorporated bodies identified in the Order. At 31st December 1980 this matter was receiving attention.

Late Submission of Returns

Section 34(1) of the Insurance Act requires that insurance companies deposit copies of their accounts with the Commissioner of Insurance within six months after the close of the period in respect of which they are prepared. Some companies have not been submitting their returns within the period required under the Act. The Insurance Act 1970 is limited with regard to the power of the Commissioner of Insurance to ensure that insurance companies comply with the Act. The Commissioner may, under Section 39 of the Act cause an investigation to be made into the affairs of a company, but the company is required to show cause why the investigation should not be made. This procedure, therefore, can be time consuming.

Insurance Act 1970

The Insurance Act, Chapter 91:02 needs substantial amendment for the reason that significant changes have taken place in the field of insurance since the Act was enacted in November 1970. In accordance with Section 3(1) of the Act the public office of Commissioner of Insurance was established and it is logical for the Commissioner to be responsible for the supervision of all aspects of insurance, excluding National Insurance. However, in accordance with Section 9(2) and the First Schedule to the Act, the Commissioner is not responsible for motor vehicle, marine, aviation and transit insurance. There is no valid reason why the Commissioner of Insurance should not be responsible for all insurance business in Guyana, excluding National Insurance.

General Remarks

The Commissioner of Insurance continued to function without any supporting staff during the period under review. It is necessary that at least two persons be appointed to assist the Commissioner in the performance of his duties, if insurance companies are to be properly supervised.

Appreciation and Acknowledgement

I wish to record my appreciation of the co-operation I received during the year from members of the Insurance Industry and the Secretary to the Treasury and Staff of the Ministry of Finance.

P.A. Bender,
Commissioner of Insurance.

**COMPANIES REGISTERED TO CARRY ON INSURANCE
BUSINESS IN GUYANA**

Long Term Insurance**Non-Long Term Insurance excluding Motor
Vehicles, Marine, Aviation and Transit
Insurance.****Local:**

- | | |
|--|--|
| 1: Demerara Mutual Life Assurance Society Limited. | 1: Guyana and Trinidad Mutual Insurance Company Limited. |
| 2: Guyana and Trinidad Mutual Life Insurance Company Limited | 2: Hand-in-Hand Mutual Fire Insurance Company Limited. |
| 3: Hand-in-Hand Mutual Life Insurance Company Limited | 3: Guyana Co-operative Insurance Service |
| 4: Guyana Co-operative Insurance Service | 4: Guyana Health Insurance Company. |
| | 5: Francis De Caires and Company |

Foreign

- | | |
|--|--|
| 5: American Life Insurance Company | 6: Colonial Fire and General Insurance Company Limited. |
| 6: British-American Life Insurance Company Limited | 7: New India Assurance Company Limited |
| 7: Caribbean Atlantic Life Insurance Company Limited | 8: The Liverpool & London & Globe Insurance Company Limited. |
| 8: Colonial Life Insurance Company (Trinidad) Limited. | 9: Guardian Royal Exchange Assurance Limited. |
| 9: First Federation Life Insurance Company Limited. | |
| 10: United Security Life Insurance Company Limited. | |

APPENDIX II

STATEMENT OF AMOUNTS DEPOSITED WITH THE
COMMISSIONER OF INSURANCE

<u>Registered Insurance Companies</u>	<u>Amount of Securities Deposited</u>	
<u>Life Companies</u>	\$	\$
Demerara Mutual Life Assurance Society Limited	252,500	
Guyana & Trinidad Mutual Life Insurance Company Limited	258,000	
Hand-in-Hand Mutual Life Insurance Company Limited	300,000	
Guyana Co-operative Insurance Service	250,000	1,060,500
<u>Foreign:</u>		
American Life Insurance Company	500,000	
British-American Life Insurance Company Limited	270,000	
Caribbean-Atlantic Life Insurance Company Limited	250,000	
Colonial Life Insurance Company (Trinidad) Limited	250,000	
First Federation Life Insurance Company Limited	250,000	
United Security Life Insurance Company Limited	250,000	1,770,000
<u>Non-Life Companies</u>		
<u>Local</u>		
Guyana & Trinidad Mutual Fire Insurance Company Limited	250,000	
Hand-in-Hand Mutual Fire Insurance Company Limited	250,000	
Guyana Co-operative Insurance Service	250,000	750,000
<u>Foreign</u>		
Guardian Royal Exchange Assurance Limited	250,000	
Colonial Fire & General Insurance Company (Trinidad) Limited	250,000	
New India Assurance Company Limited	250,000	
Liverpool & London & Globe Insurance Company Limited	250,000	1,000,000
Total:		<u>4,580,500</u>

APPENDIX III

Statement of Investment – Long Term Insurance Fund – 1980

	Demerara Mutual Life Ass. Soc. \$	Guyana and Trinidad Mutual Life Ins. Co. \$	Hand-in-Hand Mutual Life Ins. Co.	Guyana Co-operative Ins. Service \$	Total Local Companies	American Life Ins. Co. \$	British American Life Ins. Co. \$	Caribbean Atlantic Life Ins. Co. \$	Colonial Life Ins. Co. (T'd) Ltd. \$	United Security Life Ins. Co. Ltd. \$	Grand Total
Long-term Insurance Fund	26,712,954	32,713,953	8,537,031	616,657	68,580,595	23,835,894	8,186,630	6,964,921	12,868,169	512,813	120,969,042
Real Property											
Office Building	388,960				388,960	1,184,180	172,176				1,745,316
Other			63,479		63,479						63,479
Furniture & Fixtures				12,905	12,905	80,146					93,051
Loans On											
Mortgages on Property within Guyana	12,543,269	14,112,098	4,495,591		31,150,958	3,890,468	3,706,987	312,527	3,378,230		42,439,170
Stocks & Shares Life Interests and Reversions											
Policies within the surrender value	4,748,020	3,106,720	609,188		8,463,928	4,134,087	1,093,767	1,498,173	2,671,173	75,626	17,936,754
Personal Security Others		1,115,000			1,115,000						1,115,000
Investments											
Deposit with Commissioner of Insurance	273,084	257,706	250,000		780,790	500,000	270,000	250,000	250,000	250,000	2,300,790
Other Government of Guyana Securities	2,439,714	6,800,184	1,659,500	800,000	11,699,398	6,319,016	2,133,255	1,966,900	5,923,130	110,000	28,151,699
Public Corporations and Government Ventures	1,212,500		145,000		1,357,500	6,280,663	800,000	815,000			9,273,163
Municipal Securities	64,840	1,210,223	76,186		1,351,249	646,109		38,545	202,793		2,238,696
Shares in local business	4,173,337	2,046,573	269,125		6,489,035	462,603		372,464	442,843		7,766,945
Treasury Bills	733,630	1,126,850	1,405,211		3,265,691	7,292,990		607,966			11,166,647
Cash on Fixed Deposits		1,826,735	180,947	223,000	2,230,682	358,116					2,588,798
Current Assets (debits, etc.)		1,570,525	342,627		1,913,152	(7,579,921)		286,154			(5,380,615)
Foreign Deposits (if any)			415,971		415,971						415,971
Cash on Current Account and on hand	125,600	534,464	60,249	131,156	851,469	267,437	10,445			122,504	1,251,855
Total Assets	26,702,954	33,707,078	9,973,074	1,167,061	71,550,167	23,835,894	8,186,630	6,167,729	12,868,169	558,130	121,166,719
Total Assets invested in Guyana	26,577,354	31,602,089	9,154,227	1,023,000	68,356,670	23,488,311	8,176,185	3,881,575	12,868,169	435,626	119,206,536
95% of Long-term Insurance Fund	25,377,306	31,078,255	8,110,179	585,824	65,151,564	22,644,099	7,777,298	6,616,674	12,224,760	506,191	114,920,586
Excess/Deficit	1,200,048	523,834	1,044,048	437,176	3,205,106	844,212	398,887	(735,099)	643,409	(70,565)	4,285,950

APPENDIX IV

Statement of Investment in Approved Securities – 1980

Long Term Insurance Fund	Demerara Mutual Life Ass. Soc.	Guyana and Trinidad Mutual Life Ins. Co.	Hand-in-Hand Mutual Life Ins. Co.	Guyana Co-operative Ins. Service	Total Local Companies	American Life Ins. Co.	British American Life Ins. Co.	Caribbean Atlantic Life Ins. Co.	Colonial Life Ins. Co. (T'd) Ltd.	United Security Life Ins. Co. Ltd.	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31st December 1980	26,712,954	32,713,953	8,537,031	616,657	68,580,595	23,835,894	8,186,630	6,964,921	12,868,169	532,833	120,969,042
1st January 1980	23,363,099	29,604,345	7,417,392	387,406	60,772,242	20,808,939	7,137,559	6,884,909	11,129,012	377,773	107,110,434
Increase in Fund	3,349,855	3,109,608	1,119,639	229,251	7,808,353	3,026,955	1,049,071	80,012	1,739,157	155,060	13,858,608
Amount to be invested	1,100,838*	621,921	223,927	45,850	1,992,536	605,391	248,495*	217,824*	347,831	38,987*	3,451,064
Amount Invested	455,000	1,350,000	300,000	—	2,105,000	3,200,000	1,000,000	—	1,300,000	—	7,605,000
Deficit/Excess	(645,838)	728,079	76,073	(45,850)	112,464	2,594,609	751,505	(217,824)	952,169	(38,987)	4,153,936

* Includes deficit for previous year.

APPENDIX V

Long-Term Insurance Companies - Revenue Account - 1980

	Demerara Mutual Life Ass. Soc.	Guyana and Trinidad Life Ins. Co. Ltd.	Hand-in-Hand Life Insurance Co. Ltd.	Guyana Co-operative Ins. Service	Total Local Companies	American Life Ins. Co. Ltd.	British American Ins. Co. Ltd.	Caribbean Atlantic Life Ins. Co. Ltd.	Colonial Life Ins. Co. (T'd) Ltd.	United Security Life Ins. Co. Ltd.	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME											
Amount of Long-Term Insurance Fund at beginning of the year	23,363,099	29,604,345	7,417,392	387,406	60,772,242	20,808,939	7,137,559	6,884,909	11,129,012	377,773	107,110,434
Adjustment to Fund Premiums (less reinsurance)	161,436	-	-	-	161,436	-	-	-	-	-	161,436
Consideration for Annuities granted	5,135,406	5,210,132	2,372,411	655,711	13,373,660	9,675,867	2,630,067	699,552	3,112,364	105,135	29,596,645
Interests, dividends, and rents	800,278	1,605,342	-	-	2,405,620	274,451	-	-	-	-	2,680,071
Other receipts	2,317,778	2,400,749	810,733	96,101	5,625,361	1,992,651	948,179	301,056	1,583,573	37,646	10,488,466
	744,947	16,991	16,196	184	778,318	-	-	102	7,425	150,289	936,134
Total	32,522,944	38,837,559	10,616,732	1,139,402	83,116,637	32,751,908	10,715,805	7,885,619	15,832,374	670,843	150,973,186
EXPENDITURE											
Claims:											
Death	646,024	463,028	231,246	63,228	1,403,526	1,131,380	413,967	583,991	351,249	6,678	3,890,791
Maturities	634,433	845,294	138,705	-	1,618,432	787,883	582,721	151,949	756,847	37,295	3,935,127
Other	241	7,943	10,268	276,216	294,668	-	4,000	2,147	-	-	300,815
Surrenders	1,248,396	571,867	269,740	5,262	2,095,265	1,591,639	128,112	235,350	205,867	4,165	4,260,398
Annuities	56,167	861,227	116,592	-	1,033,986	68,553	-	-	67,391	-	1,169,930
Bonuses to Policy Holders	-	-	-	-	-	681,486	7,766	10,565	-	43	699,860
Commissions	625,244	751,939	593,347	26,531	1,997,061	1,511,680	593,351	4,136	488,631	29,787	4,624,646
Expenses of Management	551,726	1,961,224	465,453	108,805	3,087,208	1,223,539	436,863	67,705	-	16,448	4,831,763
Home Office Expenses	-	-	-	-	-	592,796	121,769	147,168	196,206	25,344	1,083,283
Taxation	665,635	646,802	254,350	38,129	1,604,916	818,043	9,008	-	208,057	-	2,640,024
Other Payments	1,382,124	14,282	-	4,574	1,400,980	509,015	231,618	(282,313)	689,957	18,250	2,567,507
Amount of Long-term Insurance Fund	26,712,954	32,713,953	8,537,031	616,657	68,580,595	23,835,894	8,186,630	6,964,921	12,868,169	532,833	120,969,042
Total	32,522,944	38,837,559	10,616,732	1,139,402	83,116,637	32,751,908	10,715,805	7,885,619	15,832,374	670,843	150,973,186

APPENDIX VI

Insurance Business other than Long-Term or Motor, Marine,
Aviation and Transit Insurance – Revenue Account – 1980

1980	Guyana and Trinidad Mutual Fire Ins. Co. Ltd.	Hand-in-Hand Mutual Fire Ins. Co. Ltd.	Guyana Co-operative Ins. Service	Total Local Companies	Colonial Fire and General Ins. Co. (T'd) Ltd.	Guardian Royal Exchange Ass. Ltd.	Liverpool and London and Globe Ins. Co. Ltd.	New India Assurance Co. Ltd.	Total
INCOME									
Amount of Fund at the beginning of the year									
Reserve for unexpired risks	3,188,908	2,014,511	323,524	5,526,943	63,587	302	666,173	122,143	6,379,148
Other Reserves	10,328,613	6,656,727	—	16,985,340	—	—	—	—	16,985,340
Premiums	5,596,207	3,865,162	994,800	10,456,169	1,274,538	—	1,344,068	314,569	13,389,344
Interest, dividends and rents	1,668,688	750,429	—	2,419,117	—	—	—	—	2,419,117
Profit from sale of Investment	—	6,591	—	6,591	80,862	—	—	—	87,453
Other Receipts	621,321	9,379	2,015,884	2,646,584	285,340	5,090	1,965,781	369,865	5,272,660
Total	21,403,737	13,302,799	3,334,208	38,040,744	1,704,327	5,392	3,976,022	806,577	44,533,062
EXPENDITURE									
Claims under policies paid and outstanding	2,593,684	204,868	170,349	2,968,901	73,999	—	2,843,120	313,167	6,199,187
Expenses of Management:—									
Commissions, Salaries	1,494,244	984,481	420,195	2,898,920	190,943	—	304,751	69,189	3,463,803
Others	1,018,347	799,294	474,428	2,292,069	195,274	—	220,095	—	2,707,438
Reinsurance	—	1,182,962	—	1,182,962	1,018,812	—	—	—	2,201,774
Interest or dividends on script capital	61,500	89,134	—	150,634	—	—	—	—	150,634
Cash Profits	937,982	608,386	1,871,316	3,417,684	—	5,392	(65,633)	296,700	3,654,143
Pensions	35,010	7,450	—	42,460	—	—	—	—	42,460
Taxation	621,003	161,956	—	782,959	92,013	—	2,827	—	877,799
Other Payments	—	—	—	—	—	—	(1,172)	1,694	522
Investment Reserves	1,554,889	—	—	1,554,889	—	—	—	—	1,554,889
Reserve for unexpired risks	3,474,613	2,253,022	397,920	6,125,555	102,290	—	672,034	125,827	7,025,706
Other Reserves	9,614,464	7,011,246	—	16,625,710	—	—	—	—	16,625,710
Total	21,405,736	13,302,799	3,334,208	38,042,743	1,673,331	5,392	3,976,022	806,577	44,504,065

APPENDIX VII

HEALTH INSURANCE BUSINESS
REVENUE ACCOUNT – 1980

	<u>Guyana Health Insurance Limited</u>	<u>Francis De Caires Limited</u>	<u>Total</u> \$
INCOME			
Premiums	445,011	948,124	1,393,135
Other Receipts	12,825		12,825
Total	<u>457,836</u>	<u>948,124</u>	<u>1,405,960</u>
EXPENDITURE			
Claims and benefits	433,447	636,144	1,069,591
Commissions			
Expenses of Management	73,509	174,600	248,109
Depreciation of Equipment	1,787	1,330	3,117
Transfer to Profit and Loss Account	(50,907)	136,050	85,143
Total	<u>457,836</u>	<u>948,124</u>	<u>1,405,960</u>

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