

Pm Told: 'Treat \$2bn Insurers With Respect'

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By Neil Hartnell, Tribune Business Editor

Bahamian insurers yesterday urged the prime minister to “treat the industry with the respect it deserves” over its \$2bn Dorian-related payout after he suggested it was “holding back” recovery efforts.

Anton Saunders, RoyalStar Assurance’s managing director, told Tribune Business that Dr Hubert Minnis and his officials knew where to reach the Bahamas Insurance Association (BIA) and the industry’s “major players” if they had any issues with their role following the category five storm.

Responding after the prime minister was reported to have said that demolition of unsafe buildings on Abaco and Grand Bahama is being delayed while the insurance companies complete their claims assessments, Mr Saunders reiterated that the extent of Dorian’s devastation was bound to make this process take slightly longer than in previous storms.

He also pointed out that the industry, and its loss adjusters, had been denied access to the worst-hit parts of Abaco for the immediate fortnight post-Dorian by the government as it sought to make the area safe.

“If the prime minister has information, he or his representatives should come to the BIA, call us to a meeting and discuss it,” Mr Saunders told Tribune Business. “I don’t know where he’s getting his information from.

“If you have an organisation that’s spent \$2bn, somebody needs to pick up the phone. The prime minister knows all the big players in the insurance industry; if he has legitimate concerns with the insurance industry he’s the prime minister. He can summon us to a meeting and cure all this upset.”

Dr Minnis had suggested, according to media reports, that the post-Dorian reconstruction and recovery effort was being “held back” because the insurance companies were still completing their claims adjusting work.

“The insurance companies have not yet completed their job in terms of assessing and compensating individuals,” the prime minister said on Christmas Day. “So we are held back to some extent even by insurance companies... We cannot move buildings until they have been assessed by the insurance companies.”

Asked subsequently for clarification, Dr Minnis said: “One of the challenges we have with Abaco is you cannot do much, not even within the yards. You have to wait for clearance by the insurance companies - those who have insurance - because if you were to demolish them then insurance companies can always argue that the building was not as bad as said. So you have to work hand in hand with them.”

Bahamian property and casualty insurers earlier this month told Tribune Business that the industry's total Dorian claims payouts are now estimated to come in at the upper end of the last \$1.5bn to \$2bn estimate, making the storm comfortably the largest ever loss event suffered by the sector and its reinsurance partners in this nation.

Mr Saunders yesterday said he wanted to avoid getting into any 'blame game' or finger-pointing in relation to the Prime Minister's comments, but revealed that he "just laughed" when he saw them in the newspaper.

"Treat the insurance industry with the respect it deserves and call a meeting," the RoyalStar chief told Tribune Business. "We're all big boys. The industry didn't even get access to Abaco for the first two weeks because the Government, rightfully so, said they didn't want us there until they did what they had to do.

"If the Prime Minister has a problem with the insurance industry he has all the resources to call a meeting with all its executives, some of whom he knows personally, and ask us what the hell is going on."

Sir Franklyn Wilson, RoyalStar Assurance's chairman, told Tribune Business he, too, was unsure what the Prime Minister meant by his remarks that the insurance industry's processes were "holding back" post-Dorian reconstruction.

"I see the Prime Minister making comments that the insurance industry is slow, but in the case of RoyalStar where I am chairman we've done yeoman's work. I don't know what the Prime Minister is alluding to, but most of our adjusters were set to go home before Christmas because their work, their task was effectively done," Sir Franklyn added yesterday.

Mr Saunders had earlier this month told Tribune Business that RoyalStar had settled around 80 percent of its roughly 1,800 Dorian claims, while his Bahamas First counterpart, Patrick Ward, had revealed that 50 percent of its 2,000 claims had been paid out and agreed.

"The industry has proven its weight and value," Mr Saunders said then, "and doesn't get as much credit as it deserves for being an economic stabilising force in The Bahamas. Imagine if the insurance industry was not here. Who else is going to pay that additional \$2bn.

"Every claim we are responsible for internally, all of our reinsurers, all of our network partners, we have a gross reserve of \$325m. All in we have a total of 1,800 claims, and of those 1,800 claims we have satisfied and settled 80 percent of those. We're slightly ahead of expected pace."