



Imagine.Innovate.Transform.

November 14, 2022

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To Whom It May Concern

**RE: GENERAL INSURANCE MARKET**

It is with more than a small amount of concern that this bulletin is being issued to our customers. Our general insurance market here in Jamaica plays an absolute critical role in the ongoing success of our commercial driven economy. We have 10 local insurers that support the Jamaican market and BCMG maintains an extremely critical relationship with each as we serve our clients.

Our market is now facing an unprecedented period of threat as global insurance capacity has been shrinking which brings price increases and far more selective underwriting and acceptance criteria. Whilst Jamaica has so far been spared any serious natural disaster threat and for this we give thanks and are grateful, the International landscape has not been so fortunate.

Our local markets based on our exposure to the double catastrophes of Hurricane and Earthquake depend very heavily on the International marketplace to buy cover on their own local portfolios. This reinsurance support drives the pricing and availability of cover sold by our local companies.

The data obtained by our international broking partners paints a sad tale. The year 2021 was the third largest year on record for insured natural catastrophe disasters with 2022 waiting to add the estimates from Hurricane Ian which recently hit Florida shaping up to be even worse.



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- European droughts with record high temperatures
- Flooding in India and Pakistan claiming over 3,500 lives
- East coast floods in Australia, the costliest insured even on record in that country
- Hurricane Ian gearing up to be the largest hurricane loss behind Katrina in 2015 and Ida in 2021 as the costliest.
- Wildfire activity at its highest in Europe and USA

The list continues on but we highlight some of the major issues impacting the global market. For the third year in a row, the insurers anticipate paying out over USD 100 billion (\$100,000,000,000) in claims. Reinsurers continue to issue warnings about the strain on pricing resulting from sustained inflation, rising claims, climate change, the pandemic's continued effects, and other global economic headwinds. This will inevitably lead to increased premiums.

Our local inflation, running at 9% will also impact you our customers, ability to properly insure their homes, factories, inventory, machinery plant, equipment and other possessions so critical to the ongoing success of your business and personal assets.

Whilst we commit as our main objective to protect the interest of you our clients, we have to ensure that we continue to have a stable and well-funded insurance market for our partners and risk carriers to ensure stability. We, BCMG as your Broker maintain that our ultimate goal is to represent the best interests of our clients.

In light of this, we want to express our genuine concern for the current environment which is very real and assure you that we will continue to work with our markets to support their efforts. This will ensure their own financial stability whilst maintaining a healthy competitive environment and continuing to drive the market to international service standards and best practices.



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BCMG is fully cognizant of the current economic environment and how important it is to incorporate proper risk transfer planning to ensure the ongoing success of your business.

As your renewals approach, we commit to ensure full market research for terms and conditions that should reflect the best available in the market. This will be matched with our ongoing review of your business so that we can recommend a full risk transfer review, matching up your risk appetite to available coverages.

We are extremely thankful for the trust you have placed in us handling your business and look forward to continue to serve you.

Yours Faithfully

**BCMG Insurance Brokers Limited**

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For Thomas Smith  
Chief Executive Officer