

# CSFI/PwC Insurance Banana Skins 2017

Caribbean region  
report.  
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# Insurance Banana Skins 2017

**PwC in the Caribbean region  
(Barbados, Bermuda,  
Cayman and Jamaica)**

## Technology:

“This is critical to keep ahead and drive cost reduction and meet the changing demands of the [millennium generation].”

- Survey participant

| World |                            | Caribbean |                            |
|-------|----------------------------|-----------|----------------------------|
| 1     | Change management          | 1         | Cyber risk                 |
| 2     | Cyber risk                 | 2         | Technology                 |
| 3     | Technology                 | 3         | Regulation                 |
| 4     | Interest rates             | 4         | Macro-economy              |
| 5     | Investment performance     | 5         | Change management          |
| 6     | Regulation                 | 6         | Competition                |
| 7     | Macro-economy              | 7         | Investment performance     |
| 8     | Competition                | 8         | Quality of risk management |
| 9     | Human talent               | 9         | Human talent               |
| 10    | Guaranteed products        | 10        | Cost reduction             |
| 11    | Political interference     | 11        | Political interference     |
| 12    | Business practices         | 12        | Quality of management      |
| 13    | Cost reduction             | 13        | Interest rates             |
| 14    | Quality of management      | 14        | Guaranteed products        |
| 15    | Quality of risk management | 15        | Social change              |
| 16    | Social change              | 16        | Capital availability       |
| 17    | Reputation                 | 17        | Product development        |
| 18    | Product development        | 18        | Business practices         |
| 19    | Corporate governance       | 19        | Corporate governance       |
| 20    | Capital availability       | 20        | Reputation                 |
| 21    | Complex instruments        | 21        | Complex instruments        |
| 22    | Brexit                     | 22        | Brexit                     |

## Capital availability:

“Oversupply of capital drives poor pricing behaviour.”

- Survey participant



# 92

There were 92 responses from **Barbados, Bermuda, Cayman and Jamaica,** as follows

|             |    |
|-------------|----|
| Broking     | 4  |
| Life        | 9  |
| Non-life    | 22 |
| Composite   | 4  |
| Reinsurance | 23 |
| Other       | 30 |

The Banana Skins Index measures the average score given by each country to the 22 risks listed in the questionnaire. The higher the score, the greater is the implied "anxiety level". The Preparedness Index measures the average response given to the question: "How well prepared do you think the insurance industry is to handle the risks you identified?" where 1=Poorly and 5=Well. The higher the score, the greater is the implied level of preparedness. Note that both indices are "self-scored".

## The Banana Skins Indices

The Caribbean region produced a below average score on the Banana Skins Index (3.20), implying a lower level of risk anxiety.

It produced an above average score on the Preparedness Index (3.06), implying a higher level of preparedness.

| Banana Skins Index |      | Preparedness Index |      |
|--------------------|------|--------------------|------|
| Taiwan             | 3.66 | Spain              | 3.56 |
| India              | 3.61 | Switzerland        | 3.36 |
| Portugal           | 3.61 | Sweden             | 3.36 |
| Mexico             | 3.59 | Brazil             | 3.29 |
| Indonesia          | 3.58 | Denmark            | 3.27 |
| Thailand           | 3.57 | Indonesia          | 3.26 |
| Philippines        | 3.56 | Thailand           | 3.22 |
| Malaysia           | 3.52 | Italy              | 3.20 |
| Turkey             | 3.50 | Malaysia           | 3.19 |
| Greece             | 3.50 | Colombia           | 3.18 |
| Japan              | 3.45 | Cayman Islands     | 3.18 |
| Barbados           | 3.40 | Austria            | 3.14 |
| Luxembourg         | 3.40 | Netherlands        | 3.13 |
| Brazil             | 3.38 | Belgium            | 3.12 |
| Argentina          | 3.37 | Bermuda            |      |
| Italy              | 3.37 | Barbados           | 3.09 |
| Jamaica            | 3.36 | Portugal           | 3.07 |
| Singapore          | 3.35 | Japan              | 3.03 |
| Switzerland        | 3.33 | GLOBAL             | 3.02 |
| GLOBAL             | 3.31 | Ireland            | 3.00 |
| Australia          | 3.31 | Luxembourg         | 3.00 |
| Colombia           | 3.31 | China              | 3.00 |
| UK                 | 3.26 | Philippines        | 3.00 |
| Canada             | 3.25 | Mexico             | 3.00 |
| Netherlands        | 3.25 | Australia          | 2.98 |
| Sweden             | 3.24 | Taiwan             | 2.90 |
| Spain              | 3.23 | South Africa       | 2.90 |
| USA                | 3.18 | Greece             | 2.88 |
| Cayman Islands     | 3.18 | Canada             | 2.86 |
| Ireland            | 3.17 | New Zealand        | 2.86 |
| China              | 3.16 | India              | 2.86 |
| New Zealand        | 3.14 | USA                | 2.85 |
| Austria            | 3.14 | Czech Republic     | 2.80 |
| Belgium            | 3.13 | Singapore          | 2.77 |
| Germany            | 3.13 | Turkey             | 2.75 |
| South Africa       | 3.11 | Hong Kong          | 2.75 |
| Denmark            | 3.10 | UK                 | 2.71 |
| Bermuda            | 3.09 | Germany            | 2.70 |
| Hong Kong          | 3.04 | Argentina          | 2.60 |
| Czech Republic     | 2.95 | Jamaica            | 2.50 |

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