



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2012/13 SESSION

5 November 2012

First Sitting of the Second Meeting

(pages 263–286)

**Hon Mary J Lawrence, MBE, JP
Speaker**

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PRESENT WERE:

THE SPEAKER

Hon Mary J Lawrence, MBE, JP.
Speaker of the Legislative Assembly

MINISTERS OF THE CABINET

Hon W McKeeva Bush, OBE, JP, MLA	<i>The Premier</i> , Minister of Finance, Tourism and Development
Hon Juliana Y O'Connor-Connolly, JP, MLA	<i>The Deputy Premier</i> , Minister of District Administration, Works, Lands and Agriculture
Hon Rolston M Anglin, JP, MLA	Minister of Education, Training and Employment
Hon Michael T Adam, MBE, JP, MLA	Minister of Community Affairs, Gender and Housing
Hon J Mark P Scotland, JP, MLA	Minister of Health, Environment, Youth, Sports and Culture

OFFICIAL MEMBERS OF THE CABINET

Hon Franz Manderson, Cert. Hon., JP	<i>Deputy Governor</i> , ex officio Member responsible for Internal and External Affairs and the Civil Service
Hon Samuel Bulgin, QC, JP	Attorney General, ex officio Member responsible for Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Hon Cline A Glidden, Jr, MLA	<i>Deputy Speaker</i> , Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay
Mr Ellio A Solomon, MLA	Fourth Elected Member for George Town
Mr Dwayne S Seymour, MLA	Third Elected Member for Bodden Town

OPPOSITION MEMBERS

Hon Alden M McLaughlin, MBE, JP, MLA	<i>Leader of the Opposition</i> , Third Elected Member for George Town
Hon D Kurt Tibbetts, OBE, JP, MLA	First Elected Member for George Town
Mr Anthony S Eden, OBE, JP, MLA	Second Elected Member for Bodden Town
Mr Moses I Kirkconnell, JP, MLA	First Elected Member for Cayman Brac and Little Cayman
Mr V Arden McLean, JP, MLA	Elected Member for East End

INDEPENDENT MEMBER

Mr D Ezzard Miller, JP, MLA	Elected Member for North Side
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OFFICIAL HANSARD REPORT
SECOND MEETING OF THE 2012/13 SESSION
MONDAY
5 NOVEMBER 2012
10.56 AM
First Sitting

The Speaker: Good morning everyone.

I will ask the Honourable Premier to say Prayers.

PRAYERS

The Premier, Hon. W. McKeever Bush: Thank you, Madam Speaker. Before I pray, allow me to read a portion of my favourite scripture [27th Psalm (King James Version)]

"The LORD is my Light and my salvation; whom shall I fear? The LORD is the strength of my life, of whom shall I be afraid?"

When the wicked, even mine enemies and my foes, came upon me to eat up my flesh, they stumbled and fell.

Though an host should encamp against me, my heart shall not fear: though war should rise against me, in this will I be confident.

One thing have I desired of the LORD, that will I seek after; that I may dwell in the house of the LORD all the days of my life, to behold the beauty of the LORD, and to inquire in his temple.

For in the time of trouble he shall hide me in his pavilion: in the secret of his tabernacle shall he hide me; he shall set me up upon a rock.

And now shall mine head be lifted up above mine enemies round about me: therefore will I offer in his tabernacle sacrifices of joy; I will sing, yea, I will sing praises unto the LORD.

Wait on the LORD: be of good courage, and he shall strengthen thine heart: wait, I say, on the LORD."

Let us pray. *Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honour and welfare of the people of these Islands.*

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together: *Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in*

Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. Amen.

The Speaker: The Second Meeting of the 2012/13 Session of the Legislative Assembly will now begin. Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have no messages or announcements this morning.

PRESENTATION OF PAPERS AND OF REPORTS

Cayman Islands Airport Authority Financial Statements Year ended 30 June 2010

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeever Bush: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the [Cayman Islands Airport Authority Financial Statements Year ended 30 June 2010](#).

The Speaker: So ordered.

Does the Honourable Premier wish to speak thereto?

The Premier, Hon. W. McKeever Bush: Madam Speaker, just briefly.

I think we can say that the Airports Authority is one of the authorities that is in good shape financially, and I want to thank the Board and staff members for their hard work since we have been responsible. No doubt, Madam Speaker, the Airports Authority has its challenges as they seek to enhance and to improve our two airports; well, three really. Cayman Brac is well on the way to developing and doing some addi-

tional room space there and facilities, and the George Town Owen Roberts International Airport.

I think since the last report was laid the House knows that we have renamed the Cayman Brac Airport. It is now the Charles Kirkconnell International Airport. The Board is moving in the direction for improvements at the George Town Owen Roberts International Airport. We have said it many times, but it bears repetition today, that it is in terrible need of various enhancements. Trying to keep it at a cost that is manageable is one of the aims and objectives of the Board. But getting to where they can start it seems to be proven more and more difficult as one matter or another keeps raising its head. But I do believe that they are well on the road for improvement.

Certainly, we are not going to grow our tourism as much as we need to grow. And it is a good thing that it is growing and doing well. It is the one thing that they do not find too much to roadblock, but it is improving. It is the best that it has been in 10 years with many new gateways opening shortly. We will have flights [coming] from Boston and New York on Jet Blue. I think the inaugural flights are either this week or next week. We do need the new space. We can never get proper coverage from Europe or other long distance areas if we do not extend the runway.

Little Cayman, has its challenges and there are plans by the Board to move forward with it. This has been in the works for some time. As you get to plan and say you are going to do something, then another idea comes up and someone cannot support where we are at and what you are doing. So, there is a change. But I want to thank the Board publicly: Mr. Arch, the Chairman; Deputy Chairman, Mr. Steve McField, and other members of the Board who are working for the redevelopment and enhancement of all three airports.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Premier.

**Cayman Islands Anti-Corruption Commission—
Integrity is non-negotiable, Annual Report 1 July
2011–30 June 2012**

The Speaker: Honourable Attorney General.

Hon. Samuel W. Bulgin, Attorney General: Thank you, Madam Speaker.

Madam Speaker, I seek leave of the House to lay on the Table the [Annual Report for the period 1st July 2011 to 30th June 2012 with the Cayman Islands Anti-Corruption Commission](#).

The Speaker: So ordered.

Does the Honourable Attorney General wish to speak thereto?

Hon. Samuel W. Bulgin: No, Madam Speaker, thank you.

The Speaker: Thank you.

Honourable Minister of Community Affairs, Gender and Housing.

**Ministry of Community Affairs, Gender and Housing
Financial Statements year ended 30 June 2011**

Hon. Michael T. Adam, Minister of Community Affairs, Gender and Housing: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, the [Ministry of Community Affairs, Gender and Housing financial statements for the year ended 30 June 2011](#).

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Michael T. Adam: No, Madam Speaker.

The Speaker: Honourable Minister of Community Affairs, Gender and Housing.

**National Housing Development Trust Financial
Statements—30 June 2009 / 2010 / 2011**

Hon. Michael T. Adam: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the National Housing Development Trust Financial Statements for [30 June 2009](#), [30 June 2010](#), and the [30 June 2011](#).

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Michael T. Adam: No, Madam Speaker.

The Speaker: Honourable Minister of Health, Environment, Youth, Sports and Culture.

Health Insurance (Amendment) Regulations, 2012

Hon. J. Mark P. Scotland, Minister of Health, Environment, Youth, Sports and Culture: Madam Speaker, I beg to lay on the Table of this honourable House, the [Health Insurance \(Amendment\) Regulations, 2012](#).

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. J. Mark P. Scotland: Not at this time, Madam Speaker. I will be tabling a motion at a later stage, so I will speak to it at that point. Thank you.

The Speaker: Honourable Deputy Premier.

Information & Communications Technology Authority Ownership Agreement Annual Report Financial Years 2005/06 / 2006/07 2007/08

Information & Communications Technology Authority Purchase Agreement Annual Report for the Financial Years 2005/06 / 2006/07 / 2007/08

Information & Communications Technology Authority Financial Statements the Years ended 30 June 2005, 2006, 2007, 2008, 2009 and 2010

Information & Communications Technology Annual Report for 2004/05

Deputy Premier, Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Speaker.

Madam Speaker, I wish to lay on the Table of this honourable House, the following reports: Ownership Agreement Annual Report for Information and Communications Technology Authority for the [2005/06 Financial Year](#); the Ownership Agreement Annual Report for ICTA for [2006/07 Financial Year](#); the Ownership Agreement Annual Report for ICTA for [2007/08 Financial Year](#); The Purchase Agreement Annual Report for ICTA for [2005/06 Financial Year](#); the Purchase Agreement Annual Report for ICTA [2006/07 Financial Year](#); the Purchase Agreement Annual Report for ICTA [2007/08 Financial Year](#); the Financial Statements of ICTA for the years ended 30 June 2005, 30th June, 2006, 30 June 2007, 30 June 2008, [30 June 2009](#) and [30 June 2010](#); and the ICTA [Annual Report the for the year ended 2004/2005](#).

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Deputy Premier, Hon. Juliana Y. O'Connor-Connolly: Thank you, Madam Speaker, just to say that the honourable House would note that reports have been laid from 2005 to 2010. I was responsible as the Minister from May 2009 to current, and those reports are self-explanatory, but I would just wish to read into the record the following statements which came from the Auditor General's Report based on the year 2009/10.

With your permission I will read as follows: "I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Information and

Communications Technology Authority as of 30 June 2009, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards."

I thought I should read that, as well as this into the record, Madam Speaker, and I will say why in a minute.

Again from the report, which was signed by the Chairman, it says: "To the best of our knowledge we represent that these financial statements: (a) completely and reliably reflect the financial transactions of the Information and Communications Technology Authority for the year ended 30 June 2010; (b) they fairly reflect the financial positions at 30 June 2010 and comprehensive income for the year ended 30 June 2010; and (c) comply with the International Financial Reporting Standards under the responsibility of International Accounting Standards Board.

"The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with the International Standards of [Auditing]."

Madam Speaker, I wanted that to be read into the record because one would believe in the aura in which we are now operating, that the Ministry responsible, which is DAWLA [District Administration, Works, Lands and Agriculture] is not co-operating with the Auditor General. The evidence speaks for itself.

The Speaker: Thank you Honourable Minister.
Honourable Premier.

Public Service Pensions Board Annual Report for the Year ended 30 June 2011

The Premier, Hon. W. McKeever Bush: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, the Public Service Pensions Board Annual Report for the Year ended 30 June 2011.

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

[No audible reply]

The Speaker: Honourable Deputy Governor.

Commission for Standards in Public Life Fifth Report— 17th August 2012

The Deputy Governor, Hon. Franz Manderson:
Good morning. Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, The [Fifth Report of the Commission for Standards in Public Life](#). The Report covers a period of 18 February 2012 to the 17 August 2012, in line with its constitutional mandate found in section 117(9)(g) of the Cayman Islands Constitution Order, 2009.

The Speaker: [So ordered]

Does the Honourable Deputy Governor wish to speak thereto?

The Deputy Governor, Hon. Franz Manderson:
Yes, Madam Speaker, just some brief remarks. Thank you.

Madam Speaker, the honourable House may wish to note that during the reporting period, the Commission has continued its review on the current procurement system and has established a working group on procurement.

The Commission has also addressed the need for increased communication with senior government officials, the need for the requisite enabling legislation to be developed, sought ways to address the monitoring of ethical conduct, researched best practices to making appointments to statutory boards, issued a declaration of interest form and recommended a code of conduct in accordance with the mandate laid down by section 117(9)(f) of the Cayman Islands Constitution Order 2009 for the use by public officials.

Thank you.

The Speaker: Thank you, Honourable Governor.

Honourable Minister of Community Affairs, Gender and Housing.

Registered Children's Homes Regulations 2012

Representation Procedure (Children) Regulations, 2012

Review of Children's Cases Regulations, 2012

Refuges (Children's Homes and Foster Placements) Regulations, 2012

Placement of Children with Parents Regulations, 2012

Parental Responsibility Agreement Regulations, 2012

Foster Placement (Children) Regulations, 2012

Emergency Protection Order (Transfer of Responsibilities) Regulations, 2012

Disqualification from Providing Private Foster Care Regulations, 2012

Definition of Independent Visitors (Children) Regulations, 2012

Contact with Children Regulations, 2012

Community Homes Regulations, 2012

Guardians Ad Litem (Panel) Regulations, 2012

Children (Secure Accommodation) Regulations, 2012

Arrangement for Placement of Children (General) Regulations, 2012

Children (Private Foster Care) Regulations, 2012

Voluntary Homes Regulations, 2012

Hon. Michael T. Adam: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the [Registered Children's Homes Regulations, 2012](#); [The Representation Procedure \(Children\) Regulations, 2012](#); [The Review of Children's Cases Regulations, 2012](#); [The Refuges \(Children's Homes and Foster Placements\) Regulations, 2012](#); [The Placement of Children with Parents Regulations, 2012](#); [The Parental Responsibility Agreement Regulations, 2012](#); [The Foster Placement \(Children\) Regulations, 2012](#); [The Emergency Protection Order \(Transfer of Responsibilities\) Regulations, 2012](#); [The Disqualification from Providing Private Foster Care Regulations, 2012](#); [The Definition of Independent Visitors \(Children\) Regulations, 2012](#); [The Contact with Children Regulations, 2012](#); [The Community Homes Regulations, 2012](#); [The Guardians Ad Litem \(Panel\) Regulations, 2012](#); [The Children \(Secure Accommodation\) Regulations, 2012](#); [The Arrangement for Placement of Children \(General\) Regulations, 2012](#); [The Children \(Private Foster Care\) Regulations, 2012](#); [The Voluntary Homes Regulations, 2012](#).

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Michael T. Adam: No, Madam Speaker.

The Speaker: Thank you.

Honourable Deputy Governor.

Elections Office Report Referendum 2012

Deputy Governor, Hon. Franz Manderson: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the [Elections Office Report Referendum 2012](#).

The Speaker: So ordered.

Does the Honourable Deputy Governor wish to speak thereto?

The Deputy Governor, Hon. Franz Manderson: Yes Ma'am.

The report sets out in detail the results of the Referendum which shows that a total of 8,676 voters, or 57.23 per cent of electors, in the six districts voted on polling day.

The count was completed before midnight on 18 July 2012, with all but the district of West Bay voting in favour of the question. However, the result was not binding as less than 50 per cent of the persons registered as electors voted in favour or against the referendum question.

I wish to commend the Supervisor and his team for all their hard work and for ensuring once again that a free and fair referendum was conducted in the Islands. Thank you.

The Speaker: Thank you, Honourable Deputy Governor.

I have given permission for the Honourable Premier to make a statement.

Honourable Premier.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

Matters Relating to Letter from the Foreign and Commonwealth Office dated 2nd November 2012

The Premier, Hon. W. McKeever Bush: Madam Speaker, the Leader of the Opposition, through the Executive of the Peoples Progressive Movement, has issued a statement in relation to matters set out in a [letter dated 2nd November 2012](#), from the FCO, which is of significant importance to the Islands. And I now wish to make a statement on these important matters referred to by the Leader of the Opposition.

Madam Speaker, on the 2nd of November 2012 the Hon Mr. Mark Simmonds, the newly appointed Minister for Africa, the Overseas Territories, Caribbean and International Energy, addressed a letter to me. It would appear to me that the Honorable Minister was not provided with the full facts and circumstances in relation to a number of important matters which are briefly and un-specifically referred to in his letter. I wish to address those matters and to clarify my position in relation to the same as the Premier and Minister of Finance, Tourism and Development.

As a Member of this Legislative Assembly, having been elected consecutively for 7 terms (this month being 28 years), I have always worked to develop a very positive relationship with the United Kingdom Government, a relationship which has always been intended to benefit the people of the Cayman Islands and to foster a harmonious partnership with the various Governments of the United Kingdom.

From time to time over the last 28 years there have been areas in which the United Kingdom and the Cayman Islands have not always seen eye to eye. In most of the areas of disagreement it related to the United Kingdom's policies which were specifically designed to assist the European Union but were detrimental to the people of these Islands.

As a Member of the Legislative Assembly elected in a democratic process, it was my responsibility and that of the Government of the day to object to and in most cases negotiate amicable solutions which would have adversely impacted the people of these Islands. Since the election of the Conservative-led Government, the Coalition, I have gone out of my way to foster and develop a positive working relationship and partnership with them, and as the new Minister has indicated in his letter I am also keen to further develop this relationship for the betterment of the Caymanian people.

I made no bones about it, Madam Speaker. I was supportive of the Conservative Party and I was then supportive of their Coalition.

In May 2009, when the United Democratic Party became the elected choice of the people of the Cayman Islands, and I was elected as the Premier, I found the state of the government finances shocking, to say the least. There were significant deficits, one being \$81 million, and recurrent expenditure had been increased by many multiples since my last term in Government ended in 2005.

The economies of most if not all of the world's most developed countries were and still are in serious decline and the deficits in most of the leading western economies were so significant that economic growth and the standard of living of their people were impacted and continue to be impacted. Growth is only seen in the Asian group of countries.

After various discussions with the previous Minister in the United Kingdom, the Government agreed in keeping with its Partnership for Progress to enter into an agreement known as the Framework for Fiscal Responsibility (FFR). Madam Speaker, I had no problem with the overall view. But I was forced into it because I had to get a Budget. And the only way they were giving me a Budget was if I signed that, and that's what I had to do.

Madam Speaker, it was my understanding at the time that the Foreign and Commonwealth Office was concerned with the capital projects that were started by the previous government and the increases in the recurring expenditure. The terms of the FFR

have been incorporated into a legislative enactment which is due to be debated and passed in this Meeting of the Assembly, if Members agree. Madam Speaker, when I last saw the Minister I reiterated that to him.

Madam Speaker, I have instructed the legislative drafters and the draft will incorporate the terms as contained in the FFR and agreed with the previous Minister in the United Kingdom, but it will contain two additional provisions which in the Government's opinion are extremely important for the people of these Islands. One of the provisions increases the permissible capital expenditure over the lifetime of any specific project from CI\$10 million to \$25 million.

The second addition incorporates a provision which specifies that in the event the FCO insists on the Cayman Islands Government taking or agreeing to any action emanating from the FFR, that the United Kingdom Government accepts the responsibility for any fiscal or reputational damage which the people suffer as a result of their insistence that the Government act upon their advice. These two provisions can only in my opinion enhance the positive working partnership and the relationship for the benefit of the people of the Cayman Islands, and I am sure the Minister in the United Kingdom has had an opportunity to review the provisions and understands the same, and should be able to agree that they are reasonable and in keeping with a positive working partnership. Partnerships mean accountability and responsibility on both sides.

Unfortunately, the Minister's letter of the 2nd of November does not provide any specific reasoning as to why these provisions may not be acceptable.

Madam Speaker, our Government, and in particular myself, has always been willing, and continue to be available for positive discussions to resolve any issues with the Minister in relation to the FFR.

Madam Speaker, the Minister indicated in his letter that, by reason of the inclusion of these changes, I am "disregarding good governance and continue to be in breach of a series of commitments" without any reference to what those commitments are. It appears that he is referring to these two changes in the FFR which in my opinion are reasonable and accord with good governance, particularly in the light of the financial working relationship with the FCO which the document requires.

In this day and age, an expenditure of \$25 million on a capital project will only permit minimal projects to be undertaken and, as the Minister indicated, there is a shared responsibility between the United Kingdom Government and the Cayman Islands Government towards the people of these Islands. It can only be reasonable, should the UK Government insist on a measure which costs and/or damages the people of the Cayman Islands, that they bear the responsibility for such measures. This is a responsibility for good governance that they ought reasonably to accept. It is a straightforward fiduciary duty. And anyone that can't

agree with what I am saying, Madam Speaker, has no love for this country.

Madam Speaker, Minister Simmonds, in reaffirming his commitment to the economic development of the Cayman Islands agrees that a new cruise ship facility is an important project to such economic development. The Minister is aware that that a transparent and competitive process has been undertaken in relation to that project. He is aware that Maples one of the leading [law] firms in the Cayman Islands and together with KPMG, one of the big four leading accounting firms in the world, have been retained by the Port Authority and the Government to ensure that this project is affordable and represents the best value for money. I have told the FCO all of this in letters and face to face meetings.

It has been progressed in compliance with international procurement best practices. Madam Speaker, we have instructed our attorneys at Maples, acting on behalf of the Government and the Port Authority, to prepare for the Minister a full and comprehensive outline of the processes which are being carried out and the process for the ascertainment of good value for money will be verified by KPMG and the project placed before the Central Tenders Committee.

I am confident that when the attorneys and KPMG provide the Minister with the facts that the Minister will be pleased at the efforts which the Government and Port Authority are making, to ensure transparency and that it represents best value for money, for the people of the Cayman Islands. This is essential to sustain the economic viability of our people and to produce revenue for the Government.

Madam Speaker the Minister's concerns as expressed in his letter in relation to this project appear to have arisen from a lack of correct and factual information being provided to him in a timely manner, despite our best efforts to keep the FCO informed. The instructions to Maples and to KPMG will correct this and will be delivered directly to the Minister.

However, let me point out to this honourable House the facts that are pertinent to this development. The cruise port facility, including the Spotts pier, is seriously needed right now. If we fail to upgrade our cruise ship facilities and fall behind any further, we will continue to lose business as the Florida Caribbean Cruise Association has told us in no uncertain terms.

And I want to lay on the Table of this honourable House (firstly I want to read it into the records) a letter from them from September 13. And this is one of many letters that we have received from various discussions with them. It is in two parts, but I will lay it and Members will see it. I don't have a copy, but I will get a copy for you, Madam Speaker.

Madam Speaker, I do have your copy.

This is a letter addressed to me from the President of the ¹Florida Caribbean Cruise Associa-

¹ Letter dated 13 September 2012

tion. But since the whole of it is pertinent to Cayman and what is happening here, let me read the whole of it.

“Dear Premier Bush: I am writing to follow up on my letter to you of 31st August regarding the challenge from the World Society for the Protection of Animals (WSPA) and to thank you for meeting with me on the FCCA delegation on 12th September. The FCCA recognizes the value of the Cayman Turtle Farm (CTF) to you and the entire Caymanian community. This includes areas in which the FCCA shares your interest in the Farm, and also incorporates the fact that the green turtle has been a part of the Caymanians’ DNA since the mid 1500s.

“We certainly appreciate you having brought your delegation to thoroughly brief us, and explore the way forward. We look forward to hearing more from CTF concerning their discussions with WSPA.

“Cruise ship facilities GCM [Grand Cayman]

“At yesterday's meeting we touched briefly on the condition of facilities for cruise visitors in Grand Cayman. As we have said previously, we consider the Spotts Landing as is to be unsafe, and certainly among the worst in the region.

“The facilities at Safehaven, where many of our clients become customers of local operators, are also among the worst in the region,

“Both these amenities urgently need to be upgraded, in keeping with the status of the Cayman Islands as one of the premiere destinations in the Caribbean. I look forward to early reassurances that this will be addressed quickly and effectively.

“Respectfully yours, [signed] Michelle M. Paige, President.”

And I lay this on the Table of this honourable House.

The Speaker: So ordered.

The Premier, Hon. W. McKeever Bush: Madam Speaker, as I said, let me turn to a few areas of pertinent importance to those matters:

1. The CHEC agreement, which is now in the framework stage, is having a "Business Case" carried out by KPMG and a "value for money" exercise will be done by KPMG also, when that point is reached.

2. The CHEC group was chosen out of a total of five companies after the two other companies which the port chose did not proceed; Decco pulled out and GLF did not show proof of funds.

To the contrary of what the Opposition would have you believe, CHEC did tender a proposal to build the cruise port facility. I have seen that letter. They were among the five companies that submitted tenders. But I believe they might have submitted somewhat late. I'm not sure. I would have to go back. But,

Madam Speaker, nevertheless . . . Madam Speaker, I would urge Members to listen because they might learn something. If they want to learn, that is.

3. Madam Speaker, When our lawyers and accountants, MAPLES and KPMG, who specialise in these kinds of complex projects give the go ahead, then the CHEC agreement will go the Central Tenders Committee. Firstly, of course, to the Cabinet.

4. There is no disregard for good process in this matter. The CHEC project has gone through the same process that was followed by Cabinet and the Port Authority for the other two companies, that is, Decco and GLF. The difference with the CHEC agreement is that it is going to the Central Tenders Committee while the proposed agreements from other two companies did not proceed to the Central Tenders Committee.

The FCO knows all the above. So, what is the problem? Madam Speaker, the FCO is also fully aware of the following:

There is no "Chinese City," as the Leader of the Opposition has claimed, to be built to compete with local businesses and there will be no "army of Chinese workers" employed to construct the port while thousands of Caymanians remain unemployed, as they have claimed in their press release. The PPM continues to make false allegations to get people riled up in their misguided attempt to instigate, and I quote from the press release, "loud and very public demonstration." These are the same people who walked out of the Legislative Assembly and went out in to Hero's Square instead of debating the issue at hand. They have no solutions so they create drama.

The Chamber of Commerce and other businessmen were given a briefing and have been told that the framework agreement says that CHEC will be allowed to have some technicians. The reason I'm pushing ahead with this project is to give Caymanians jobs, hundreds of them. Why would I want thousands of Chinese to do it? The PPM is misleading the people. They have no solutions so they create drama.

CHEC has even agreed in the signed framework agreement to rent all Caymanian owned apartments and or houses for their staff and to only get their food from Caymanian restaurants. There will be no 'work camp' environment here.

CHEC have also agreed for Decco, McAlpine and Hurlstone, which are Caymanian construction companies, to join them in constructing the port facility. They agreed that other local investors can purchase into the development.

Madam Speaker, my objective is to get a proper cruise facility for the Cayman Islands in the most cost effective manner. CHEC is offering it to us with no government loan; no government guarantee and, at a 1.5 per cent to 3 per cent rate of interest. What is the FCO quarreling about? Or is it that they don't they want us to move forward with anything? As I am sure as is the modus operandi of the Opposition.

I am not negotiating, nor is there any MLA negotiating the contract with CHEC.

[Inaudible interjection]

The Premier, Hon. W. McKeever Bush: I have engaged . . . No, Madam Speaker.

Madam Speaker, the Member is interrupting, but since he has posed the question or a statement, let me answer. What we did as a Government was merely to set out the parameters of the things that we wanted to have done as a Government. But we can't negotiate because we don't know the technicalities. We are not quantity surveyors or technicians of any kind. We know that we should be getting more out of the deal than we were. And so, Madam Speaker, what we did was to say to them, *We want you to rent Caymanian houses. We want you to have Caymanian restaurants provide the food. We want to have Caymanians purchase into the agreement and we want more than you doing the construction; we want other Caymanian companies to do the construction.* Those are the things that Mr. Solomon, the Fourth Elected Member for George Town, and I told them over many, many times.

If you want to call it negotiating . . . but we haven't negotiated any contract. Those are things, the parameters that were given to KPMG and given to Maples and Calder. Madam Speaker, I am not negotiating, nor is there any MLA negotiating the contract with CHEC.

I have engaged Maples who have brought into this country specialised commercial lawyers to conduct this matter. We have Mr. Alastair Paterson, who is a long-time respected citizen of these Islands, and is well known to all of us, as our project manager. He works along with the lawyers and the KPMG accountants.

Madam Speaker, the Chinese are a World Power. They have various investments right here in the Cayman Islands. And the Chinese citizens are becoming one of or some of the biggest players in our finance industry. Not only here in the Cayman Islands, Madam Speaker, look at what they are doing in England. Look at what they are doing all over the Caribbean in building and assisting economies. They just bought in, as I understand it, into Heathrow.

You look in the United Kingdom papers and you see time and time again how much investments they are doing, none of which go out to tender, by the way.

CHEC is offering us a better proposal than any company has ever offered to build the port. If we show them that we want to be partners with them there is much for the country to gain from their friendship. However, if we drive them away, there is much to be lost from the resulting bad feelings.

Madam Speaker, the Leader of the Opposition is without any knowledge of the circumstances and

facts in this matter yet, as is his usual fashion, he calls for civil unrest. It is incumbent on the Leader of the Opposition before he exhibits such reckless behavior to at least understand the full facts and circumstances and stop spreading rumours and listening to heresy. Madam Speaker, he has obviously received a copy of the letter of the 2nd of November and issued an immediate statement on the 3rd of November.

Any reasonable person with the responsibility for good governance would have at least first sought to ascertain the facts and circumstances, but his zeal, his quest, his thirst to become the Premier apparently knows no bounds.

He disregards the facts, but as deputy leader of the previous Government the FFR is directly related to his Government's wanton expenditure on projects way in excess of \$25 million and, in fact, many of them above \$100 million without any regard as to how the people of the Cayman Islands would meet such capital expenditure and the recurring expenditure associated therewith. He jumps to the conclusions that the Minister in the UK is intending to suspend the constitution of the Cayman Islands without any such statement being made by the Minister. This is irresponsible and damaging to the people of the Cayman Islands and, to use his own words, "is treacherous" to say the least.

Madam Speaker the statements by the Leader of the Opposition indicate that he has little interest in protecting the people of the Cayman Islands and suggest that whatever is contained in a document sent by the UK, be it the FFR or otherwise, he would be willing to consent to the same. This consent is without any protections for damages which may be caused to the people of these Islands and disregards the suffering which would be paid for by our people in these various matters instituted by the FCO. One of these matters he agreed to not too long ago, and for which the people are still paying.

His opinion of good governance appears to be limited to becoming the Premier. Perhaps he has forgotten that the cruise ship facility was urgent when his Government came to power and they signed an agreement with Atlantic Star to build, to own, and to operate a cruise ship facility and to move it to another location north of where it is now. I wonder if he remembers that. The effects on the merchants and Caymanians who had invested millions in George Town were not considered or discussed until the project managed to come to light and people rose up just before the election and they pulled back. They back-pedaled on it. Fortunately for the people and the major investors who stood to suffer, this project never came to fruition.

There was no tender process then. Where was the good governance, openness, honesty and transparency? Or does he think our people have forgotten this? His concept of good governance, transparency and value for money was nowhere to be seen

and didn't even raise its head in relation to this attempt. And I should say that I don't believe he was even at the meeting with the Minister when the Public nearly ate the former Minister of Tourism up there by the Chapel Church in George Town. I don't think he ever was there. I was there.

The Leader of the Opposition, in his quest to become the Premier, seems to suffer from selective amnesia. I can assure him that in relation to the present project good governance, transparency, value for money and local participation are well taken care of.

Madam Speaker, when my Chief of Staff and I questioned, firstly, the Chairman of the Central Tenders Committee, he said that these projects had gone too far to go any other way but the direction in which we were going. And it is. It could be considered as open and transparent and within international standards as could be. Maybe things have changed. Maybe people have put pressure on him. I don't know. But certainly, he told me and my Chief of Staff that.

I want to assure the honourable Members of this House and the people of this country that my first interest, my concern is the state of the Cayman Islands and the welfare of the Caymanian people. I do not care at this point about a general election! They can vote me out, throw me out or whatever they want to do. That would be their choice. But, by God, people are suffering and have been suffering enough when we could have done something about it. And because I have been stopped I have not gotten anything moved where hundreds of people could have been employed. Why? For politics!

[Inaudible interjection]

The Premier, Hon. W. McKeever Bush: Flying? If some of you had gone flying with me, we would have had the dump fixed. Don't talk to me. Rest me!

The Speaker: Excuse me. Stop the back and forth across the Chamber please.

The Premier, Hon. W. McKeever Bush: Madam Speaker, thank you very much.

I know they're a little bit hot. The truth hurts sometimes. But he should stop because he wasn't even part of it. The Member for East End. I don't know what he is jumping into this about.

The economy, Madam Speaker, that is my concern; getting people back to work, saving peoples' homes, cutting down crime drastically. To do this, people must be put back to work, and they cannot be put back to work with what I see happening here where there is a stop, and you *can't do this, and this is not right. And this looks bad. Check the boxes, don't worry about what the cost can be.* I can't do that, Madam Speaker.

To do this, get people back to work, to stop those things . . . crime at gunpoint and shoved in peo-

ple's faces. You have got to have jobs, jobs, jobs. That's what these projects are intended to do. They are going in the right direction.

Madam Speaker, I will close by saying that if somehow they are stopped, then I will have done my part, I would have fought to the bitter end to get these projects done. I am not going to allow them to make me have a heart attack off of it, Madam Speaker. I have done my part as a representative—put the projects on the table, tried to move them forward, and that is what I am supposed to do. We have good technical people, legal minds, some of the best dealing with this. And it is value for money, and it will bring back our cruise tourism and help those sectors that have to depend on it.

Jobs, jobs, jobs.

Thank you, Madam Speaker.

The Speaker: Thank you, Honourable Premier. Leader of the Opposition?

Short Questions

[SO 30(2)]

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I ask your permission to ask the Premier a few short questions pursuant to Standing Order 30(2) of the Standing Orders of this Legislative Assembly.

The Speaker: I will allow short questions.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, before I start, may I ask the Serjeant if he would kindly take this document and hand it to the Premier for me?

Madam Speaker, I want to ask the Premier if he recognises the signature on that document. It is a copy of the Framework for Fiscal Responsibility signed in November of last year.

The Premier, Hon. W. McKeever Bush: Madam Speaker, let's be done with the theatrics. I signed it. I said why I had to sign it. If I did not sign this document I would not have gotten the Budget, and I was told that. I told them the one point that I wanted in it was for them to have some responsibility.

Yes, I signed it and I still say I signed it under duress because I was told that if I did not sign it, I would not get the Budget.

Now, Madam Speaker, I didn't negotiate this, and the people who negotiated asked for some of the same things that I am asking for. This was negotiated by the Financial Secretary and Mr. Shaw (who did the Miller/Shaw Report). That is who negotiated it.

Now, it wasn't anything wrong. We are in agreement with the general principles; it was the areas that I asked for, Madam Speaker. I signed it. I had

to sign it or I would not have gotten that Budget. I was told that, Madam Speaker.

[Inaudible interjections]

The Speaker: Please stop the asides.
Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I asked the Premier to confirm that, because the Premier seems to believe that the adoption of that document, which he signed last year and in which he agreed should come into force in law on the 1st July this year, and which he subsequently agreed in relation to the negotiations for the current year's Budget he would put into effect, that somehow that is optional.

I want the Premier, Madam Speaker, to indicate to us whether or not he realises that the Overseas Minister, the Honourable Mark Simmonds, is, in fact, threatening to impose the FFR on the country by an order in Council; or whether he does not interpret the diplomatic language employed in the letter of 2nd November in the same way I do.

The Premier, Hon. W. McKeeva Bush: Madam Speaker, I have read that letter over and over. I have had lawyers look at that letter over and over. We quite understand that there is some threat in it. But if he has some crystal ball, or if he went and talked to somebody, then he should say so. Because it does not say what the Minister is saying. But I suspect it could be that.

But if that is what it is, well what would happen? All that would happen is that this would go into place, but . . . and my clause that I want in which holds them directly responsible would not be put in. But what is going to be put in, something else? No! So, if they have their way and put it through an order in Council, mind you, it is coming to this House for Members to vote on. So, if Members vote on it and agree with it, well it goes through, because then the House voted for it. So, what is the big thing here?

The Speaker: Second Elected Member for Bodden Town.

[Inaudible interjection]

The Speaker: He's giving way, Leader of the Opposition.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I wonder if the Premier can explain what he believes the Minister means when he says, and I'm quoting from the third paragraph of the [2 November 2012] letter: ". . . **the continued breach of your commitments has left me**

with no alternative but to give detail consideration to alternatives."

The Speaker: May I ask . . . can I have a copy of that letter? I have not seen it.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I am happy to lay a copy of the letter of 2nd November 2012 on the Table of this honourable House. And I have a copy for you Ma'am.

The Premier, Hon. W. McKeeva Bush: Madam Speaker, this is the same drama that I spoke to earlier that the Member, who just sat down, likes.

I said already, I don't know. I would suspect the same thing that they are saying: *Look we can put this in place through an order in Council.* But maybe he has information that I don't. I have lawyers dealing with it and looking at it. But, as I said, if we put it through here and it is coming here, Madam Speaker, then they have it. Then it is for him to vote on it, for all of them on the other side and all of us on this side who have the conscience to vote on it, to do that. And they are going to have that opportunity.

So, Madam Speaker, what the drama is all about, let's wait and see. A lot of things do not frighten me, Madam Speaker. I will be concerned when people say things. I'm not even concerned about his threat, except, Madam Speaker, that civil disobedience in the country, civil unrest, will further destroy the country than what it is today. As hard as we are trying to build it, and as much as they say they want financial services to grow, calling for civil unrest does not help.

I urge the people of this country to think carefully why we are discussing an FFR. I urge the people of this country to look back at what that Member did, and the companies he hired and the millions of dollar—\$12 million that was paid upfront—and the law suits that were engaged afterwards that we had to pay for.

Of course, the United Kingdom took a position and took a hard line. But they could only do that, Madam Speaker, because he, the Leader of the Opposition, Alden McLaughlin, the Third Member for George Town—

The Speaker: No names.

The Premier, Hon. W. McKeeva Bush: —broke the ratios, broke the law, disregarded the processes!

That's why they now have this on me and can do what they are doing to me, and have done what they are doing to me—from threatening to put in taxes, to telling me I had to cut civil servants by 600, to tell us we had to cut civil servants' pay! They could do none of that, Madam Speaker, if it were not for what the Third [Elected] Member [for George Town], the then Minister of Education, did as the Minister—disregard every proper procedure, disregard the fi-

nancial regulations, disregard the Public Management and Finance Law! He did that.

You are asking me for what? People should realise, of course, Madam Speaker, why we are here. And why the Financial Secretary and anybody else had to do—he's but a civil servant—had to do what the UK wanted. And now they have us. They have us! What do we do about it? Why doesn't the House get up and say, *Sit down, let's see what we can do about it*, if you do not feel that the one solution that I have that safeguards us is to make them accountable as a partner (any partner, no matter how poor the spouse is you would have some accountability and responsibility). Or that is what causes divorce sometimes you know. Nevertheless, Madam Speaker, if they feel that my thing is wrong, well they can vote against that section. But they will have that opportunity.

I told the UK, Madam Speaker, in the process of the Budget, that this is a Budget that we have; we are dealing with the finance industry. We are dealing with all of these other matters. I cannot push this through in July. I will get it for November. Well this is November and I am keeping my promise. I told them that. I wrote that to them. I spoke with them on the phone on that—I *cannot get it between July and November, but I will get it in November. I would put it before the House. It is being sent to the House.* It is here now. It is tabled in this House. They will have that opportunity.

What is this? It is nothing but political gimmicks! The push for the Member, who is losing Members and wants to get more! He sees this as an opportunity to go out and stir up people. That is what the PPM is doing! That is what the Leader of the Opposition is doing! Stirring up people, Madam Speaker!

He wants an answer? He's getting it. He is stirring up people to jump on his bandwagon because his campaign is failing. They got more independents than they got people in the country!

The Speaker: Second Elected Member for Bodden Town.

Mr. Anthony S. Eden, Second Elected Member for Bodden Town: Thank you, Madam Speaker, and under the same Standing Order 30(2), one brief question to the Honourable Premier.

When did Government communicate to Minister Simmonds, in light of his letter to you of the 2nd November, that you were proposing the two amendments, that is, the accountability and liability to the UK, and to increase the amount of the project to \$25 million? Thank you.

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeever Bush: Madam Speaker, I think it was on the 30th of October that we sent a letter back to him. We sent a letter, I think, back

to him on October. . . . But I want to reiterate to this House that they knew about where I stood. Because, Madam Speaker, the day that I signed this—just let me tell honourable Members this. The day that I signed this, when they told me, *You sign it or you cannot get your budget*, I went and signed it.

But I told them I wanted it taped; I wanted it videoed. Well, they set it up and when I reiterated in the signing of that, that I believed that the UK ought to stand behind any damage done by their advice, they came back and told me (when I asked for the copy), *Oh, it had not recorded.*

The Speaker: Member for East End.

Mr. V. Arden McLean, Elected Member for East End: Thank you, Madam Speaker. I figured those old tapes wouldn't work!

Madam Speaker, I just would like to ask the Premier: In the face of all of this confrontation that is going on now, why are we insisting on going ahead with this Chinese deal that he so passionately spoke of?

In his statement (the pages are not numbered) he said: "**The CHEC group was chosen out of a total of five companies after the two other companies which the Port chose did not proceed. Decco pulled out and GLF did not show proof of funds. To the contrary of what the Opposition would have you believe, CHEC did tender a proposal to build the cruise port facility. They were among the five companies that submitted tenders.**"

Can the Premier confirm that it was more than five companies that responded to the tender? And the five that he speaks of that were shortlisted . . . CHEC was not part of that five?

The Premier, Hon. W. McKeever Bush: Madam Speaker, I do not have the correspondence in front of me, but I understand from lawyers and from the project manager that they have the letter. They have the submission. Now, I haven't . . . like I said, I'm told, because I am not involved in it, so I am told this. And this . . . I think they are going to make a statement themselves on the whole matter.

Now, as to why I am going ahead with it, I think I have reiterated time and time again, that I believe that the Chinese are offering us the best deal. Not believe, from what I have seen from all of them. CHEC at 1.5 per cent to 3 per cent; DECCO was what? Anywhere from 7.5 [per cent] and the whole world was screaming about them, or do we forget that? We can't forget that even Members of this House and the Opposition were screaming about giving them the business. That is why we pulled back. Right?

Then we got to GLF. GLF's statement to us was: If you give us a contract we will go out and get

the bonds. That is not what we wanted. And the bonds would have been at that time way up there; much more than 1.5 per cent or even 3 per cent. So, we have to look at value for money. And the amount of years, all of that will take in the value for money. From what I am told by KPMG, right now we have the best of what was offered out of all of them.

The fact is that Caymanians will be able to buy into it if they so desire. The fact is that three local Caymanian companies are joining with them to build. The fact is that there are no thousands of Chinese coming in here. The fact is, Madam Speaker, that they will buy and purchase from local restaurants. There is not going to be any soup kitchen by them. They are going to rent Caymanian apartments.

These are the things which I think are valuable to us. They have offered us 10 scholarships but that is by the way. I believe, because of their efforts in the region, they do want Cayman on their agenda for development. They are all over—the Bahamas, Jamaica, Guyana, and Barbados—all over. Might be BVI, I am not sure.

But why wouldn't we want to have that kind of partner, lady and gentlemen, honourable Members? Here is a country that has at this point, 7.5 per cent growth. If Italy . . . *humph*, look at the unemployment and what they can do for ya! Spain? The UK itself? The UK itself is grabbing every piece of business. This is the thing that really, really baffles me; how much business the Chinese are doing there.

There is more to it than this, honourable Members. Think for ourselves! Do we believe that this noise is about a \$200 million project? It is much more than that. Cayman is once again being used as a pawn. Once again! Besides that, China is trading their RMB [Renminbi—official currency of China]. They would like to do so here. But do we understand their culture? And if they walk away and we push them out, well that could be a contingent liability because we have a draft . . . or we have a framework agreement with them.

This is the best deal. Nothing in it for me! I see where the Opposition is making his accusation. I can see what the legal people say about it. This is going through to Central Tenders Committee. Lady and gentlemen—

The Speaker: Ah, Members of the House.

The Premier, Hon. W. McKeeva Bush: Honourable Members.

Madam Speaker, I got so involved in the answer that I really wanted to address them directly, not even through the Speaker. But, Madam Speaker—

The Speaker: From the political platform.

The Premier, Hon. W. McKeeva Bush: —the Members of this House know it. The Leader of the Opposi-

tion knows it. He is playing to the gallery hoping to fill his bandwagon with members for the campaign. As I said, that is all he is concerned about, and that is what this is all about for them—whipping up people, calling for McKeeva to resign.

Why should I resign, Madam Speaker? For what? For what? Because CNS don't like me and the ugliest people in the world don't like me?

Thank you, Madam Speaker. I think I have answered it.

The Speaker: Yes, I think it has been aired quite one . . . The Member for East End got my eye first, if you don't mind.

Mr. V. Arden McLean, Member for East End: Thank you, Madam Speaker.

Madam Speaker, I want to make it abundantly clear to the Premier before I ask him the question. I don't think there is one person in this honourable House that objects to the cruise liner dock. I don't think there is one; at least not me (let me speak for myself). However, it is not the principle; it is the processes that people have their concerns about.

And in saying that, let me just say to him, or ask the Premier . . . He says that he does not have the information available about what area that CHEC fell in during that tender process. But, Madam Speaker, I supported my good friend from West Bay being head of that process at the time.

The Premier, Hon. W. McKeeva Bush: Oh you did?

Mr. V. Arden McLean: Absolutely!

The Premier, Hon. W. McKeeva Bush: Ha!

Mr. V. Arden McLean: Because he has been into it about 10 to 12 years now after those passenger liners, in the interest of this country.

The Premier, Hon. W. McKeeva Bush: Mm-hmm.

Mr. V. Arden McLean: As a Member of this House, of course. And I will do that. You know that.

But, Madam Speaker, it is very easy for the Premier to turn around and ask the Member for West Bay, who was first there, if he knows where CHEC fell in the line. And the question is, if CHEC did not shortlist, why are we going back at them to have a negotiated deal with them?

The Premier, Hon. W. McKeeva Bush: Well, Madam Speaker, even if CHEC came into the scene later . . . obviously, two had gone—GLF and DECCO. Who are we going with?

Well, obviously, looking at them, they were the best ones out of all of them, as far as I am concerned. As I said, they were offering us the best deal.

So, whether they came in at the point in time when the others were being graded, I am not sure. I understand that there are letters . . . and I have said that over and over, Madam Speaker, that it can attest to when they came in. But if they came in late, Madam Speaker, nevertheless, the other two had gone and we went through the same process with them as we did with GLF and with DECCO.

The Speaker: Thank you.

We really need to get this . . . this was supposed to be a couple of short questions. We need to get it finished and under the . . . I am going to allow the Leader of the Opposition, and then I will come back to you Member for East End, and that will be the last question.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, thank you.

Why is the Premier so adamant that this matter does not go out to competitive tender, particularly given that the scope of the project has now more than doubled in size? And does he not have concerns about the reputation of CHEC? And would he please produce a copy of the tender letter from CHEC which, he asserted this morning, he had received?

The Speaker: That's three questions. You want to take them one at a time so that we can get them answered quickly?

The Premier, Hon. W. McKeeva Bush: Let me deal with him by wrapping him all in one.

Madam Speaker, I already said why I support the CHEC deal. I have given numerous reasons why. I've said that over and over. How can you have (as was said to us by the Central Tenders [Committee] Chairman) a process now when everything is out there in front of everybody? What is it going to be like? But I am convinced that we have the right deal. And the lawyers are saying we have a good deal. And the accountants are doing the value for money. And that is what, Madam Speaker, will be the telling factor in all of this.

When we get to the point when the value for money is laid out, if it is good value for money for this country we continue. If it is not, we won't continue. Value of money the most important thing, and, of course, whether they have the wherewithal to do it. And, Madam Speaker, the job or the project is not doubled in size. And, of course, there are changes, from what I understood was going to happen before, but it is not, Madam Speaker, doubled. Now there would be changes.

In regard to the letter, whenever, if the lawyers agree that papers can be completely laid out in this country, it will be. But for commercial reasons, going through these things, Madam Speaker, you just

can't give out everything [at] one time. And, as I said, I will leave it to the lawyers to say when.

The Speaker: Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

Madam Speaker, I would like to go back to the response to my question by the Premier prior to this one that he just responded to, wherein he said that maybe CHEC came in afterwards. That is, Madam Speaker, not the crux of the matter. My concern . . . and if the Premier can provide us with that information . . . because Freedom of Information requires that they have to release it now too, because those negotiations are all long gone.

The Premier, Hon. W. McKeeva Bush: At some point.

Mr. V. Arden McLean: My understanding (and it is not as reliable as I would like it to be) was that there were 12 companies that submitted tenders.

The Premier, Hon. W. McKeeva Bush: I don't know. I didn't know it was 12.

Mr. V. Arden McLean: Five were shortlisted and CHEC was left somewhere out there in the [inaudible] and now we are going back to negotiate with them.

Can that information be given to us or the country for that matter (unless the Premier can say whether that information is available through Freedom of Information), on how many persons that bid. Because, Madam Speaker, I didn't see anything in the papers or anywhere. All that I saw was the list of the companies that were shortlisted, and that was widely publicised. But now we are saying that CHEC was part of those that were shortlisted. And I don't know.

The Premier, Hon. W. McKeeva Bush: [Inaudible] I don't know if they . . . I didn't say they were shortlisted.

Mr. V. Arden McLean: But there were only five shortlisted, Madam Speaker, and the Premier said that CHEC was one of those five . . . of a total of five companies that bid.

The Premier, Hon. W. McKeeva Bush: That is my understanding.

Mr. V. Arden McLean: Okay. Well, we will just have to get it through Freedom of Information.

The Speaker: Thank you.

Can we go on now to—

¹ **Motion under Standing Order 24(9)(h)**

That the Statement made by the Honourable Premier be rejected and debated

Mr. D. Ezzard Miller, Member for North Side: Madam Speaker?

I noticed that you have terminated the questions, and I was given an opportunity. So, in accordance with Standing Order 24(9)(h), I wish to move a motion that the statement delivered by the Honourable Premier be rejected by this Parliament and therefore give Members ample opportunity to debate what was said in the statement and allow everybody to drill down as deep as they want into this the matter.

The Speaker: Member for North Side, you know what the rules of the House are regarding that. You read section 30 of the Standing Orders, which says that short questions would be allowed. I did not see you indicate in any way that you wanted to ask a short question.

Shall we proceed?

I terminated that matter. Can we now proceed?

Mr. D. Ezzard Miller: Madam Speaker, with the greatest of respect, Ma'am, the House has to make a decision. I just moved a motion in accordance with Standing Order 24(9)(h). You cannot ignore that the motion was moved. The House has to deal with it.

Hon. Alden M. McLaughlin, Jr., Leader of the Opposition: Madam Speaker, I second the Motion.

The Speaker: What is the motion that you are moving? Twenty-nine what?

[Inaudible interjection]

The Premier, Hon. W. McKeever Bush: To reject a statement?

Mr. Ellio A. Solomon, Fourth Elected Member for George Town: *[Inaudible]*

The Speaker: Where? Twenty-nine . . . Which section of the Standing Orders are you using?

Mr. D. Ezzard Miller: Standing Order 24(9)(h). Standing Order [24] 9 says: "**The following motions may be made without notice**". Nine (h) says: "**Arising out of any item of business made immediately after that item is disposed of and before the next item of business is entered upon.**"

In accordance with that I am moving a motion that the statement be rejected, which will allow Members to debate it.

The Speaker: That which statement be rejected? What are you talking about? I am trying to get it clear.

[Inaudible interjection]

Mr. D. Ezzard Miller: Madam Speaker, the Premier just made a statement. That item of business has been disposed of. No more questions or anything else will be asked about it. I am moving a motion that that statement be rejected which will allow Members to debate the statement.

The Speaker: When a Minister makes a statement you are allowed to ask short questions on that statement for any clarification. I stated before, you did not indicate you wished to ask short questions. I concluded the question time on the statement. It has been concluded and we will now proceed to the next item of business on the Order Paper—First Reading of Bills. Madam Clerk.

[Pause]

The Speaker: The Clerk has just reminded me that I did not say "so ordered" after the Leader of the Opposition said that he wanted to lay the letter on the Table that the FCO had written. I will correct that at this point and the letter will be laid on the table—so ordered.

Now, can we please proceed with the First Reading of Bills?

Mr. V. Arden McLean: Madam Speaker, on a procedural matter, there is a motion on the floor and—

The Speaker: On a procedural matter . . . Member for East End, I have stated we will call the First Reading of the Bills.

Please proceed, as I have indicated from this Chair. I do still run this House.

Madam Clerk, please proceed with the First Reading of the Bills.

Mr. V. Arden McLean: Madam Speaker, may I be recognised?

The Speaker: Yes, you may be recognised; but if you are going to repeat what you have said, I have said what I have said and I'm not going to repeat that.

The Premier, Hon. W. McKeever Bush: Madam Speaker, how many times you are going to call for the First Reading in these Bills?

The Speaker: I am waiting for the Clerk to proceed as I have ordered.

GOVERNMENT BUSINESS

¹ See Speaker's Statement: *Official Hansard Report* 7 November 2012, page 287

BILLS**FIRST READINGS****Health Insurance (Amendment) Bill, 2012**

The Clerk: The Health Insurance (Amendment) Bill, 2012.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

Tourist Accommodation (Taxation) (Amendment) Bill, 2012

The Clerk: The Tourist Accommodation (Taxation) (Amendment) Bill, 2012.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012

The Clerk: The Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

Stamp Duty (Amendment) Bill, 2012.

The Clerk: The Stamp Duty (Amendment) Bill, 2012.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

This is a good time to take the lunch break. I will now suspend the proceedings of the House.

Proceedings suspended at 12.30 pm**Proceedings resumed at 3.40 pm**

The Speaker: Proceedings are resumed. Please be seated.

GOVERNMENT BUSINESS**BILLS****SECOND READINGS****Animals (Amendment) Bill, 2012**

The Clerk: The Animals (Amendment) Bill, 2012.

The Speaker: Deputy Premier.

The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly: Thank you, Madam Speaker.

Madam Speaker, I rise to commence the debate on the Second Reading of a Bill for a Law to amend the Animals Law (2011 Revision) to remove the designation of Dennis Point Pond as an Animal Sanctuary; and to make provision for incidental and connected matters.

Madam Speaker, with your permission I would like to proceed with the ambit of the Bill. [Clause] 2, in particular, says, "**The Animals Law (2011 Revision) is amended in section 82 by deleting the following words: 'Dennis Point Pond. The Pond is located in the Cayman Brac West registration Section, Block 95C, Parcel No. 36 situated north of the public road and east of Dennis Point. The said area is bordered red on the Boundary Plan No. 47 which is deposited at the office of the Chief Surveyor, Grand Cayman and the District Commissioner, Cayman Brac.'**"

That is the section that we are seeking to have deleted from the substantive Law, which is The Animals Law (2011 Revision).

By way of background, Madam Speaker, all Members, and a vast majority of the public, would be familiar with the ongoing problem of the pond there, which those of us who originate from the Brac would realise that even before it was given the designation Animal Sanctuary, it was used for depositing of garbage, in particular beer bottles from the adjoining pub on the south side of the road. It has a horrible, horrible stench with the decomposition of the organic matter, which affects not only the neighboring residential properties, but also the Alexander [Hotel] in particular.

As I said, we are seeking the short amendment so that the Government would be able to go and clean it up, as has been done for many years, and would not be confronted with a situation as obtained the last time where the District Commissioner was threatened to be incarcerated by another agency of the government. We trust that we will see safe passage of this law to remedy that situation which is quite annoying on the Brac.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

First Elected Member for Cayman Brac and Little Cayman.

Mr. Moses I. Kirkconnell, First Elected Member for Cayman Brac and Little Cayman: Thank you, Madam Speaker.

Madam Speaker, I rise in support of the Bill. I have taken note of what was presented earlier by the Deputy Premier. And it is well known in Cayman Brac that we need to work together, private and public sector, to encourage the ongoing development in that

area. In particular, the hotel in that area has suffered because of not being able to have the smell and the pond itself cleaned out.

I believe that in some of the discussions there is also consideration that if some of the area was lost from an environmentalist standpoint, that it could be a consideration to give them some of that square footage back in other places.

So, Madam Speaker, I just wanted to make those comments and say that I am in support of it.

The Speaker: Does any other Member wish to speak?

Honourable Premier.

The Premier, Hon. W. McKeever Bush: Thank you.

Madam Speaker, I rise just to give a word of thanks, actually, to the Minister and the Ministry for getting this amendment.

Madam Speaker, our tourism product is one of the most important things to us in terms of our economy. And Cayman Brac, being as small as it is and difficult to keep the economy going, we have to do everything possible to make sure that from our tourism perspective the various properties (few they be) have all the support that we can give.

Sometimes, Madam Speaker, we have to give up something to get something. And it seems that that "sometimes" in this country is not what people want to understand (that we give up something because we need to get something). And so, as much as birds or whatever it is they want to protect there . . . the place needs to be cleaned out. It is a pity that the plans they had proposed some time ago have not come to fruition, where they were really going to develop that area. It needs to be.

I don't know how the people can live in the prevailing winds when that place is at its worst. I don't know. Because I tell you, if you go to the hotel you really cannot sit outside when the wind is blowing from that direction. So, I am very . . . and we have had complaints about it. But when you find, Madam Speaker . . . And again, we talk about how we help Caymanians and how we don't help them. Well here an opportunity to really help one who has gone out and put their best foot forward, investing all of their hard earned money in a property—and it is a very good one, I should say; not on the seaside but its ambience and surroundings I find comfortable, and I know other people do. I know locals certainly do. And we, as a Government—any Government needs to do that—need to be able to help a local entrepreneur when they are investing, as Mr. Dilbert has invested.

So, I want to thank the Minister and Ministry for bringing this amendment. Let's hope that it will do the trick.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to

speak? [pause] Does any other Member wish to speak?

If not, I will ask the mover of the Bill to do her reply.

The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly: Thank you, Madam Speaker.

Madam Speaker, I wish to thank Members for their tacit and expressed support for this Bill. I am sure it is going to bring great relief to the 55 residential homes, 5 apartments, 1 hotel and 1 commercial centre, as well as to the general public there and the adjacent areas.

As the Honourable Premier and my colleague from the Brac said, there have been expressions of discontent for some time. We have tried to work that out within different agencies, but because of the designation that it had it caused a lot of friction whenever we tried to pump in a saline solution, or just tried to clear out debris that had congregated to the western end of the pond. This will now allow the Public Works Department to work as far as bringing in water from the sea during the dry season when it is dried out and it is a very, very untenable situation.

So, on behalf of my constituents, and on behalf of the Government, we thank this honourable House for their understanding and their support.

The Ministry has been looking for other areas, both in Cayman Brac and Little Cayman, that we could so designate because we are in balancing development and the environment.

The Speaker: Thank you, Honourable Minister.

The question is that the Bill shortly entitled The Animals (Amendment) Bill, 2012, be given a second reading.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: The Animals (Amendment) Bill, 2012, given a second reading.

Health Insurance (Amendment) Bill, 2012

The Clerk: The Health Insurance (Amendment) Bill, 2012.

The Speaker: Honourable Minister of Health.

Hon. J. Mark P. Scotland, Minister of Health, Environment, Youth, Sports and Culture: Madam Speaker, I beg to move the Second Reading of a Bill entitled The Health Insurance (Amendment) Bill, 2012.

The Speaker: The Bill has been duly moved. Does the mover wish to speak thereto?

Honourable Minister of Health.

Hon. J. Mark P. Scotland: Thank you, Madam Speaker.

Madam Speaker, you know how topical the issue of healthcare is today in the face of rising costs and questions about adequate access and availability, ageing population, the economic situation now. And so for the past few years the Ministry and the Government have been working diligently to bring about improvements within healthcare in the country.

I thought it would be appropriate just before I move to debate or to introduce the Bill here today, to just mention some of the achievements that we have made in the past few years because there have not been any comprehensive public relations about all of the things that are happening together, and there have sometimes been the negative coverage in the press and other places about healthcare, and even in some ways the competence of the Ministry and Minister and others. So, I thought I would mention a few of the accomplishments to enlighten Members and the general public, and I would have thought maybe the television audience that's why I was wearing this nice new suit this afternoon.

[Inaudible interjections]

Hon. J. Mark P. Scotland: But I will wear it back on Wednesday and hopefully they will have the television on then.

[Laughter]

Mr. V. Arden McLean: You went to buy a new suit for that?

Hon. J. Mark P. Scotland: But, Madam Speaker, there are many achievements in which I, as the Minister of Health, and, in fact, the Ministry and the Government are quite proud of. And, as I said, I will mention a few of those. Just early this year we carried out our first chronic and communicable disease risk factor survey. We partnered with PAHO [Pan American Health Organization], CAREC [Caribbean Epidemiology Centre], and the Economic Statistics Office as well as local sponsors from our insurers across the Island. That survey is going to give us important data about the risk factors that contribute to incidents of chronic non-communicable diseases here in the Cayman Islands. We can use that data to help to target the resources to proper education and intervention and prevention of those diseases. And in the very near future, Madam Speaker, we hope to be publishing the results of that survey.

Madam Speaker, at the HSA [Health Services Authority] there have been quite a number of im-

provements. We launched the Physicians Heads of Departments programme which empowers the doctors to more align the patients' needs and expectations. We also have just responded to the longtime demands for a fulltime pain management specialist. The doctors are also creating what they are calling a collaborative care initiative which enables the doctors and dentists and medical health providers to do several things. They can establish widely acknowledged benchmarks in care, and they can assure continuous improvement in the quality of that care. Madam Speaker, that has boosted the satisfaction amongst inpatients and outpatients, and ultimately controls and reduces the cost of delivering that care.

Madam Speaker, we know about the Realtime adjudication system at HSA which is now working in conjunction with CINICO's CarePay system, and now, just with the swipe of a card, patients can determine what their levels of liability and coverage are and it removes a lot of guesswork in filling out forms and so on, Madam Speaker. It makes the whole process much more efficient and, obviously, it is going to reduce the inefficiencies. We know that those inefficiencies have traditionally been responsible for up to 25 per cent of the overhead cost for the HSA.

Madam Speaker, we implemented the CayHealth system just about two years ago and that system has devolved some of the responsibility for healthcare. We have used the pilot programme working with the indigent group and that has devolved some of the responsibility out to the district clinics. And we have seen the amount of visits and so on at the district clinics increase, which has been a primary focus of the programme, but under that programme each of those patients now has a particular general practitioner (a GP) who is assigned to each one of them who knows their particular cases much better and ensures continuity and efficiency of care and continued consultation and treatment for those patients.

Madam Speaker, the George Town Hospital refurbished three operating theatres, added a fourth one, upgraded the eye clinic, and we also had a major renovation at the Cayman Brac Faith Hospital following the passage of Paloma.

In mental health, as we all know, we have had a taskforce hard at work over the past few years updating the Mental Health Law and ensuring that the legislative framework would be responsive to today's conditions, particularly with the implementation of the Human Rights Bill (less than a day away from us now). That legislation seeks a clear structure to deal with mental health in accordance with best practices and respect for the rights of those patients. And we hope to be bringing that legislation to this honourable House in the first quarter of next year.

Madam Speaker, we also know about the Human Organ and Tissue Transplant Bill. That Bill has been drafted and is now under review, hopefully, it will be tabled early in the first part of 2013.

A big accomplishment for us, and one that I am very proud of, is the partnership that we had with PAHO and local stakeholders to develop a national health policy. Over a two- or three-day period we brought together a multi-sectorial stakeholder group, and created a vision in our national health policy. And the vision we created is “Health and Wellbeing for all in the Cayman Islands.” Madam Speaker, that is a policy which will be a five-year policy, hopefully that will be tabled in the very near future in Cabinet and then on to the Legislative Assembly.

In that policy we identified nine strategic directions, and those include leadership and governance, health financing, the health work force, service delivery and access to medical products and technologies, health information and research, emergencies in disaster, health promotions, social participations. So, those are some of the strategic directions that we have developed and will be implementing in the National Health Policy.

So, Madam Speaker, quite a lot, and these are just touching on some of the high level accomplishments over the past few years. But just to say that we have been working assiduously in the Ministry and as a Government, to improve healthcare, to improve access to healthcare and to look at ways in which we can make it more affordable, more accessible to the wider population.

Madam Speaker, with that, then turning to the amendments being tabled today, I will just say again that, as we know, mandatory health insurance was implemented here in the Cayman Islands around 1999 (I think it was). From that time the law mandated that . . . at that time it talked about employees were required to have health insurance coverage and it mandated the Standard Health Insurance Contract. Madam Speaker, that contract in the Law served the country well for a number of years. But with the increasing cost of healthcare, with improved technologies, and so on, the basic health insurance plan, basic plan of benefits which is called for under the Law, has certainly become inadequate, and we discussed that many times already.

We brought a Bill in ²2010 when we made some amendments. Those amendments in 2010 included giving the Health Insurance Commission the ability to grant the approved insurance status to insurance companies that met all of CIMA’s [Cayman Islands Monetary Authority] requirements for a licence, as well as satisfying all of the requirements with the Commission in accordance with the Health Insurance Law and Regulations. Madam Speaker, the approved insurers under that amendment are now much more closely monitored and includes an annual review of their approved insurance status. That approval can be withdrawn if they do not continue to meet the requirements.

Madam Speaker, in the definition of the words “prescribed healthcare benefits”, the words “a standard health insurance contract” were deleted and substituted with “the standard health insurance contract” meaning that this amendment now reflects a proposal to amend the regulations and deletes the four existing SHIC [Standard Health Insurance Contract] plans and moves to one enhanced SHIC plan, making it a lot easier (much less confusing, I would say), to regulate a number of those plans instead of just the one basic SHIC plan. And when I say “confusing”, Madam Speaker, a lot of that confusion comes with the persons who have to acquire that insurance—being the employees.

Madam Speaker, the introduction of a new definition for “dependant,” which broadens the definition of dependant to include any “dependant offspring” of the employee who is over 18 years of age, who is not a fulltime student at the university or other educational institutions, but who for financial, medical or other physical reasons is dependent on the employee for shelter or care. I will also speak more to this definition in the regulations as well when we table that motion.

Madam Speaker, as you and Members would know, numerous complaints come in regularly from parents who have children that have reached the age of 18 and who are not attending college, but who may have returned home from college or university, and have not yet found employment. These adult children who are well over the age of 18 are still financially dependent on their parents for shelter and for care, but under the existing definition of “dependant” in the Health Insurance Law they are often excluded from accessing insurance coverage through their parents’ insurance.

Madam Speaker, there are also cases where the adult offspring have a medical or physical condition which would render them dependent on their parents, but because they are over 18 and not in fulltime education, again, they are not able to get that health insurance as dependents on the parents’ plan, even though their parents would be prepared to pay for that. By inserting a new definition of “dependant” and “dependent offspring”, this will correct that problem and help to ensure that some of our most vulnerable members of society are able to access health insurance coverage.

Madam Speaker, the definition of the words “supplemental medical benefits” have also been amended. This refers to benefits provided to persons who are compulsorily insured in excess of benefits under the Standard Health Insurance Contract. This new definition of supplemental medical benefits will ensure that approved insurers will have the ability to provide their customers and clients with benefits which exceed the benefits contained in the Standard Health Insurance Contract,

² [Health Insurance \(Amendment\) Bill, 2010](#)

Madam Speaker, the penalty that may be imposed upon conviction, where a person who is not an approved insurer issues a health insurance contract, has also been increased. The Law requires that no person carrying on business in or from the Cayman Islands, other than an approved insurer, shall issue a contract of health insurance to provide insurance cover in respect of health care benefits relating to a person resident in the Islands. The fines under this section, if convicted, were increased to a fine of \$100,000 plus \$10,000 for each day during which the offence continues. On summary conviction there can also be imprisonment for up to one year.

Madam Speaker, just to say from this point also, that the increase in fines for these offences is certainly not in any way an attempt on the part of the Government to increase revenue as may be insinuated by some persons, or as even suggested in the media reports from time to time. The position of greater fines is intended to be a disincentive to discourage persons from breaking the law; it has nothing to do with raising revenue for Government. In fact, it is a hope on the Government's part that we would never be in a position to require collecting revenue for the fines, as we would like to see full compliance with the Law and no fines being required.

Madam Speaker, section 5 of the Law was amended by inserting after the words "uninsurable person" the words "or an underinsured person." This has become necessary because there are now numerous cases where persons have the minimum level of insurance benefits under the Law, but their specific medical condition might require medical care which exceeds those benefits. Government has then found that it may need to provide financial assistance where necessary and appropriate for those persons.

Madam Speaker, a new subsection 15A, whereby no underwritings are permitted under the Standard Health Insurance Contract, was introduced. This was based on input and consultation and this new section has been revised. Madam Speaker, I give notice that there will be a committee stage amendment to speak to this.

Approved insurers will no longer be able to refuse to provide health insurance coverage under SHIC because the individual has a medical condition. Madam Speaker, previously under the Law there were many instances where the approved insurers were refusing to provide coverage for minor medical conditions and ailments which were controlled with medications including diabetes, hypertension and high cholesterol. Under this proposed amendment the approved insurers will still be able to underwrite perspective employees or clients with a higher benefit or supplemental plans or other comprehensive plans. And, Madam Speaker, this, we believe is still fair and reasonable. But the objective of this new amendment is that all persons in the Cayman Islands will be eligible for the Standard Health Insurance Contract.

Madam Speaker, in reviewing the various amendments to the Law we had to take into consideration that there will be persons from time to time who, for example, may be terminally ill, or who have an acute or catastrophic illness, who will find it difficult or will probably not be able to obtain automatic health insurance coverage through an approved insurer. Having said that, Madam Speaker, we still recognise that healthcare, as I said earlier, needs to be accessible to all of our people, and health insurance needs to be affordable. And that is a balance that must be struck; that is the balance that we have attempted to strike by working through this in the past few years. And I can assure all stakeholders that we have been very cognisant of the need to strike this balance throughout our deliberations on these legislative amendments.

We increased the penalties, again, upon conviction, for the offence of failing to effect the SHIC plan for employees. And other penalties include where an employer makes unlawful deductions from the salaries of his employees, and the summary court fines have been increased on those convictions again, Madam Speaker. Unfortunately, Madam Speaker, the Commission has recorded numerous complaints regarding this matter. And we just found that we had to send a firm message that unlawful deductions from the salaries of employees will not be tolerated.

Another issue that has presented itself is when employers fail to offer to extend the health insurance coverage to their employees upon termination. Madam Speaker, where that employee remains a resident in the Cayman Islands and does not become compulsorily insured with another employee, the law states that the coverage should continue for a period of three months from the date of the termination of employment, or until the person becomes employed (whichever is earlier). In these circumstances the employee is liable to pay the cost of the premium while that health insurance continues. And it is important for the coverage to be extended to avoid any break in coverage where the individual could be exposed to uninsured medical expenses and possibly become a liability on the Government.

Madam Speaker, the principal Law was amended to require insurers to provide data to the Health Insurance Commission indicating how many single plans and how many family plans of health insurance coverage have been provided by that insurer. This information is useful as it helps the Health Insurance Commission reconcile the insurer's contribution to the segregated insurance fund. It is an offence for an approved insurer to fail to provide an audited annual report containing information specified by the Health Insurance Commission.

The Commission must be able to obtain appropriate and timely information from the approved insurers to carry out the monitoring and the regulatory functions under the Law. Madam Speaker, approved

insurers who fail to comply with this part of the Law could be subjected to a summary court fine of \$30,000 and a fine of \$2,000 for each day that the offence continues. Previously, there were no penalties or fines for the violation of this section of the Law.

Another significant amendment that we introduced was the prohibition against the reduction of the level of benefits. This amendment has made it an offence for an approved insurer to reduce the level of supplemental healthcare benefits or supplemental medical benefits, except for nondisclosure of a material fact or misrepresentation on the part of the insured person. Again, we have received many complaints over the years where approved insurers reduced the level of benefits for health insurance contracts once a person reached retirement age which could be as early as age 55. This will no longer be permitted and the offence carries a fine of \$10,000.

Madam Speaker, we have also introduced the provision to impose administrative fines by the Health Insurance Commission for the breach of certain provisions of the Law. Much has been said over the years about the Law not having any teeth, and concerns were raised that it gave the Health Insurance Commission little authority to act and regulate the health insurance industry. However, the introduction of these administrative fines will enhance the enforcement capabilities and efficiency.

The Superintendent of Health Insurance, in consultation with the Health Insurance Commission Board, can issue direct fines for some offences under the Law. These offences include failing to effect the Standard Health Insurance Contract; failure of the employer to provide the employee with information about his health insurance; failure by approved insurers to provide required information to the Commission; failure of the employer to extend the cover of health insurance for employees who were terminated, and where the approved insurer reduced the level of supplemental healthcare benefits, or supplemental medical benefits provided under the health insurance contract.

Madam Speaker, the amendments I just spoke to were included in those that were passed in 2010 and included in the 2011 Health Insurance Law. Madam Speaker, since that point we have been working on the review of the regulations and the amendments to the regulations. During that time we also found it necessary to make some additional amendments to the legislation, which are the ones that we are presenting today. These are the ones which are contained in the Bill that we are tabling here today.

The specific provisions in the Health Insurance (Amendment) [Bill], 2012:

Clause 1(2) has the effect of a delayed commencement for certain sections of the Law, namely, those sections that pertain to the Standard Health Insurance Contract. This is to allow for the necessary amendments to the Health Insurance Regulations to

be brought forward and to give the providers and the insured individuals' time to prepare for a smooth transition from the existing Standard Health Insurance Contract to the new Standard Health Insurance Contract.

Madam Speaker, it is proposed that once the Bill is passed in this honourable House, that the new SHIC plan will be commenced on 1st March 2013. So, we will have between now and March for public education process as well as for the insurers and the insured persons to be prepared for that transition. Then we propose for one year to migrate those plans over so that during that one year period as your current plan expires, then you will be required to move on to the new SHIC plan. But it won't be that they will be requiring everyone to move over on one day when the Law is implemented, say 13th March.

So, we will have a one year period to transition over from the current SHIC plan to the new SHIC plan commencing on 1st March 2013. That is the current proposal, Madam Speaker.

Clause 2 amends section 2 of the Law, among other things to redefine the various terms for the purposes of the legislation, for example, "child," "dependent offspring," "high risk insurance person," "uninsurable person." A new term is also introduced in the legislation; the term "insured person."

In clause 2(a) "child" has been amended to include only individuals [who are] under 18 years of age. Currently, the Law states that "child" means a person over 18 [years of age] and under 23 years of age enrolled at university or other educational institutions. The definition of "child" was amended to bring it in line with the provisions in other legislation in the country.

Clause 2(b) has been amended to include not only the child and unemployed spouse of the insured person, but also any dependent offspring of that insured person. The revised definition in the Health Insurance Law, 2010, refers to the dependent in relation to the employee rather than to the insured person.

Clause 2(c) "dependent offspring" was first introduced in the Health Insurance Law, 2010. This definition now captures individuals, as I said, of 18 years of age and over, who, for medical or other physical reasons, are dependent on the insured person for shelter or care; or an individual who is 18 years of age and over, but under 30 years of age, who for financial reasons, is dependent on the insured person for shelter or care.

The dependent offspring will not include a grandchild unless the grandchild is adopted, or, is a foster child of the insured person.

Madam Speaker, as I said earlier, too many persons who are enrolled in tertiary institutions or have returned home and are not yet employed are unable to secure health insurance coverage, and this amendment will help to facilitate access to health insurance for those individuals.

Madam Speaker, high risk insurance persons has been amended and strengthened in order to discourage the current practice of insurers denying health insurance to some persons because of what is termed “pre-existing conditions.” The approved health insurers will have the ability to insure high risk persons for the Standard Health Insurance Contract at a premium that exceeds more than 200 per cent, only subject to the approval by the Health Insurance Commission.

Madam Speaker, an “insured person” is key, which is the new term that was not previously defined under the Health Insurance Law. The current Law refers to the “employee” and the Ministry decided that the term “insured person” should be introduced as this term is central to the health insurance legislation. A prime example is a situation where a person who is retired requires health insurance but because he is no longer an employee is unable to access coverage or portability of his health insurance since the current Law reference is made to an employee. This definition of insured person covers individuals and groups for which coverage is provided.

Clause 2(f), “partially uninsurable [person]” has been deleted due to the abandonment of exclusions and pre-existing conditions in providing coverage under the Standard Health Insurance Contract.

“Uninsurable person” has been revised to discourage the practice by approved insurers to cherry pick their clients for health insurance coverage. Approved insurers will be required to provide details to the Commission outlining the reasons for denial of health insurance coverage, and this new requirement will certainly minimise the number of persons who are deemed uninsurable by the private health insurance providers.

Madam Speaker, the amendments which I speak to go a long way to improve the access to, and availability of, health insurance by residents here in the Cayman Islands. And while we recognise that the Law is not going to be a perfect one, as, similarly, the first Law when initially passed, but certainly this continues to be a very good work in progress and a definite step in the right direction to continue to improve access to health care.

Madam Speaker, I would like to thank the persons who contributed significantly to putting all of these amendments together; the Chief Officer, the Ministry staff, including Senior Policy Advisor, Janett Flynn; Mr. Mervyn Connolly, the Superintendent of Health Insurance; Mrs. Myrtle Brandt from the Legislative Drafting, and certainly, acknowledgement of the input from the Health Insurance Standing Committee, the various health care providers and the Health Insurance Commission Board.

I also acknowledge the support of my Cabinet colleagues and colleagues in caucus as well, for their input and contributions to the draft legislation which is here today.

These amendments are very important. [They] impact each and every one of us as residents here in the Cayman Islands. And, Madam Speaker, with that, I look forward to the support of all Members of this honourable House. Thank you.

The Speaker: Thank you, Honourable Minister.
Does any other Member wish to speak?
Member for North Side.

Mr. D. Ezzard Miller: Thank you, Madam Speaker.

Madam Speaker, I wish to raise a few concerns about the Bill before us; a Bill for a Law to amend the Health Insurance Law (2011 Revision) to improve the administration of the Law; and for incidental and connected purposes. Madam Speaker, I thank the Minister for his tour of his achievements, but I won't bother to criticise them or comment at this time. I will try to deal with the Bill before us.

I'm a bit worried, though, Madam Speaker, because many of the amendments that he spoke to are not in the amending Bill that I have, which is dated 8th May 2012. I believe he said in his contribution that many of them were done in 2010 and 2011. If that is so, then maybe I do have the correct Bill before me, because the Bill I have does not contain many of the amendments to which he spoke in his . . .

[Inaudible interjection]

Mr. D. Ezzard Miller: They were previously done? Okay.

Madam Speaker, my major concern with the Bill is the concern I have had about health insurance from the time it was considered. And, as the Minister of Health who brought the first health insurance bill to this Parliament in 1992, I know the genesis of these words “high risk insurance” and “uninsurable person,” because I had to deal with the private sector lobby through the Chamber of Commerce at the time. We were drafting the legislation, and I refused to accept them and put them in the Bill.

Madam Speaker, when the Government of a country is legislating health insurance and making it mandatory, it should in no way allow the private sector to cherry pick by excluding the very persons who need health insurance, particularly as they have been doing for years—and, in my view, will continue to do under this amending Bill—where people from age 20 to 40, 50, who paid their insurance premiums every month, who never had a claim and then got sick and the insurance companies denied them further coverage . . . There needs to be something put in the legislation that people in that category cannot simply be dumped off by the private insurers because the Government will pick them up through CINICO.

It is, in my view, Madam Speaker, wrong for us as parliamentarians whose responsibility is to protect the insured persons and also to protect govern-

ment's treasury to allow private sector companies to continue to profit from health insurance and then they will not insure a high risk person for \$400 or \$500 per month, but they have been able to convince successive governments that, *If we simply pay them \$10 a month, they can insure them.* Something has to be fundamentally wrong with that equation.

Madam Speaker, what has been happening in this country from the beginning of the introduction of health insurance . . . in fact, there was a time in the '80s when health insurance was sold at a profit to the individual buying insurance, is that the insurance agents would tell people to buy health insurance. Those persons would go to the hospital, get treatment and would even be hospitalised, and the insured person did not even have to produce a bill that was paid to the insurance company. They simply produced the bill unpaid; the insurance company wrote the cheque to the person who was insured; they put the money into their pocket and never ever paid the government.

This Bill, Madam Speaker, in my view, continues to allow the private health insurance companies to cherry pick. Group health insurance does not exist in this country in the private sector. What they do is come to a company with a couple of hundred employees and will sell the company individual health insurance discounted on volume. And why I say that, Madam Speaker, is because they often require the employees to have a medical checkup prior to putting them on the insurance.

A true group health takes the group and they spread the risk. In most companies, particularly in the Cayman Islands, the employees are young and healthy, by a great majority. Even in the Government civil service. And what the insurers do is take all the healthy ones that they know they do not have to pay any insurance claims for, and they reject people with pre-existing conditions, or they deem them to be high risk because they are overweight and tell them to go to another insurance company. They get turned down and then Government will provide new insurance through CINICO.

Madam Speaker, again, in my humble view, that is madness! And we are exposing the government's treasury to unjustified liabilities that should not happen. The group should be taken and if there is one person in it who is high risk or who gets sick, that is what the insurance is about—you spread the risk and take the risk.

Madam Speaker, the consultants I used in 1991 or 1992, Towers Perrin, recommended a unique solution to the private insurance companies, particularly for high risk people. What they recommended at that time was that each of the private insurance [companies] should put 10 per cent of every premium they sold into a fund which they themselves managed but had to be publicly accounted for through proper accounting. And if they took a group of individuals, and in the first year they got hit with a huge bill, they could

appeal to their peers to get money from that fund to offset the risk. I still think that that is a better solution than paying government \$10 per premium and government accepting the total risk. Because, then the health insurance companies are laughing all the way to the bank.

And they will tell you, Madam Speaker, that they are not making any money on health insurance. Well, I went to their 10-year symposium (or anniversary) that the health insurance industry put on some years ago. And one of their presenters made a big deal and presented this graph of where his company had lost all of this money. On the coffee break I asked him if I could get a copy of the figures that he put up there, because my family and I own shares in this insurance company, and if that was what was happening I needed to sell these shares or get rid of them! Right? And he spent the next half hour (my coffee even got cold) explaining to me, *No, no, no, it is not that bad, you do not need to sell your shares. We are actually making money—right?*

So, Madam Speaker, I don't believe that this Bill is going to achieve what I believe is the most important amendment to the Health Insurance Law—that is, that the insurance companies must accept and be responsible for some of the high risk, or any high risk, person that exists in any group that they insure. And, Madam Speaker, in a country that requires by legislation compulsory health insurance there should be no such animal or person as an uninsurable person, because the law is requiring me to have it, but the insurance companies are finding reasons why they cannot sell it to me, and the Government's solution to that up until this point has been that we create an insurance company called CINICO. If you get two companies to turn you down they will accept the risk.

Again, I do not think that is fair, and I do not think it is reasonable. And I do not think, as legislators who represent the people who are going to have to pay the taxes to pay for the healthcare that the insurance companies should be paying for, that we should be allowing it to continue.

So, Madam Speaker, I have filed two amendments to this Bill: One is to delete the definition of a "high risk insurance person" and they will have to make the subsequent amendment to the clauses because what we are doing here is adjusting the provisions in the clause of the law by changing the definition of the words, as opposed to amending the clause.

All I am saying is that if we take . . . I've filed two amendments: One is in [clause 2(d)] where it says, "by deleting the definition of the words 'high risk insurance person' and substituting the following definition", I have moved an amendment to put a full stop after [the word] person, and delete the new definition and the rest of the clause so that the word "high risk insurance person" does not appear in the legislation. And they will have to amend the clauses appropriately.

I've done the same for the definition of "uninsurable person." In [clause 2] (g) it says, "by deleting the definition of the words 'uninsurable person' and substituting the following definition-". I have filed an amendment to put a full stop after . . . by deleting the definition of the words "uninsurable person," and deleting the rest of the clause so that the words "uninsurable person" will no longer exist in the Law.

Madam Speaker—

Moment of interruption—4.30 pm

The Speaker: Member for North Side, we need a motion to continue after the hour of four-thirty.

Mr. D. Ezzard Miller: I will be finished in one minute.

The Speaker: I can't see that clock very well but I think that is what it is saying.

Mr. D. Ezzard Miller: I will be finished in one minute, Madam Speaker.

The Speaker: Okay.

Mr. D. Ezzard Miller: So, if the Government is mindful to accept those two amendments I will support the Bill, otherwise I will be voting against the Bill.

Thank you, Madam Speaker.

The Speaker: Thank you, Member for North Side.

ADJOURNMENT

The Speaker: Honourable Premier.

The Premier, Hon. W. McKeever Bush: Madam Speaker, we propose to adjourn this honourable House until 10.00 am Wednesday. We move that the House be adjourned until 10.00 am Wednesday next.

The Speaker: The question is that this honourable House do adjourn until 10.00 am Wednesday. All those in favour, please say Aye. Those against, No.

Ayes.

At 4.35 pm the House stood adjourned until 10.00 am, Wednesday, 7 November 2012.

