



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2012/13 SESSION**

**15 November 2012**

*Sixth Sitting of the Second Meeting*

*(pages 387–412)*

**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 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 Jacqueline Wilson	Temporary <i>Deputy Governor</i> , Member responsible for Internal and External Affairs and the Civil Service
Hon Samuel Bulgin, QC, JP	Attorney General, 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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**APOLOGIES**

Hon Juliana Y O'Connor-Connolly, JP, MLA	<i>The Deputy Premier</i> , Minister of District Administration, Works, Lands and Agriculture
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**OFFICIAL HANSARD REPORT**  
**SECOND MEETING 2012/13 SESSION**  
**THURSDAY**  
**15 NOVEMBER 2012**  
**1.49 PM**  
*Sixth Sitting*

**The Speaker:** I will call on the Honourable Minister of Health to say prayers this afternoon.

**PRAYERS**

**Hon. J. Mark P. Scotland, Minister of Health, Environment, Youth, Sports and Culture:** 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:** Please be seated. Proceedings are resumed.

**READING BY THE HONOURABLE  
SPEAKER OF MESSAGES  
AND ANNOUNCEMENTS**

**Apologies**

**The Speaker:** I have an apology from the Deputy Premier. She will not be able to attend today or tomorrow.

**STATEMENTS BY HONOURABLE  
MEMBERS AND MINISTERS  
OF THE CABINET**

**The Speaker:** I have given permission to the Honourable Premier to present a statement.

**Interest Rates on Loans**

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

In 2011, last year, the Government proposed to borrow, but not to use, the conventional way of taking a loan from a commercial bank and thus living within the high interest rates that are the norm when borrowing from a commercial bank. The Leader of the Opposition made reference to this in this House and in the local media, purporting that I had lost half a million dollars in the process.

It behoves me to point out the facts on what our savings would have been if we had gone with the latter of Cohen's proposals. Cohen, as we know, is always mentioned in this House for something radically wrong. At least that's what they try to make it look like. Given the current base rate of the US Treasury Bills, it is conceivable that if the Cayman Islands had accepted the Cohen's offer, which was a floating rate, based on the "US Treasury Bill Rates" plus a spread (and if my memory serves me right, the US Treasury Bill Rate was .204 per cent at the time), and with a spread of 250 basis points, or 2.50 per cent which was offered by Cohen, it would have resulted in an effective interest rate of approximately 2.7 per cent.

With the current state of the world's economy, and given the fact that the US Federal Reserve has now decided to increase the monetary supply in its economy by buying back its bonds, at a rate of \$40 billion dollars per month over the next few months, it is conceivable that the Treasury Bill Rate is more likely than not to decrease, in fact the US Treasury Bill Rate is now at .135 per cent or .069 per cent lower than what it was at the time of our negotiations with Cohen.

Madam Speaker, this means that our current effective interest rate would be approximately 2.635 per cent. That's what we would be paying on that \$185 million if we had gotten it from Cohen. Given this analysis, it is also reasonable to assume that had we accepted Cohen's offer, and when comparing it with what we are currently paying, close to 6 per cent, or 5.44 per cent—twice as much as what we had negotiated—the country would be in a better position finan-

cially, even to the extent where we could have established a sinking fund.

Madam Speaker, the difference in interest cost is approximately \$55 million dollars. For the sake of clarity I repeat that the difference in the Cohen's offer, compared to our current deal, would be a savings of approximately \$55 million dollars to the good of this country. That's what I tried to do.

While distracters will ask the question, *How will we know that interest rates will remain low for a reasonable time for the country to benefit?* The answer is simple, and no different from our decision to establish the Cayman Islands as an international financial centre. It is a risk, much like everything else. But the wisdom in doing so should be based on the assessment of the global economic outlook. That's how you make those sorts of decisions.

For instance, Madam Speaker, most, if not all, major industrialised nations are now experiencing a contraction in their economy, and are now seeking to expand their economy by borrowing at low rates with the hope that it will also flow through to the private sector. Most notably, the concern of the multilateral lending institutions which have an interest in protecting their investments by way of loans to these affected countries, are also acting in their interest to ensure that interest rates remain low so that their chance of recovering their investment is likely—and believe it or not, they are doing just that.

With this being the case, our expectation that interest rates would continue to remain low to the extent that the Cayman Islands would benefit was reasonable and based on sound economic and financial analysis—even if I have to say so, since it appears that those who criticise me are devoid of such understanding. Madam Speaker, their lack of knowledge and understanding has cost the Cayman Islands a significant financial loss, a burden we must now bear into the foreseeable future of \$55 million more to pay. It is my firm belief that we should still pursue every angle to obtain financing for our debt in the manner I have proposed in order to save this country millions of dollars. In fact, Madam Speaker, the last Budget gave me permission to be in discussions with the Foreign [and Commonwealth] Office. They are not against that.

Countries with significantly lower credit ratings are doing so, why can't we?

Madam Speaker, I close by asking this question, why should we burden the people of our country with a debt burden they don't have to bear, and put a barrier in the way of the future generations?

Madam Speaker, as I said, I make this statement because the Leader of the Opposition said that the reason why the Foreign Office has the FFR is because of things like Cohen and, of course, the Auditor General and all the rest of them are up in arms telling me that I have done the wrong thing. The proof is there, Madam Speaker, for one and all to see.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Premier. Are there any questions? [pause]

### **Suspension of Standing Order 14(3)**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 14(3) to enable Government Business to have precedence over Private Members' Business.

**The Speaker:** The question is that Standing Order 14(3) be suspended to enable Government Business to have precedence over Private Members' Business.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 14(3) suspended.**

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **Public Management and Finance (Amendment) Bill, 2012 (Third Version)**

*[Continuation of debate thereon]*

**The Speaker:** When we concluded the sitting yesterday the Premier was delivering his closing speech on the Public Management and Finance (Amendment) Bill, 2012, the third version. At that time he had five minutes left. The Clerk's office has informed me that I need to compensate for the number of times he was interrupted. So I will give him 15 minutes to wind up his debate.

**The Premier, Hon. W. McKeeva Bush:** Thank you very much, Madam Speaker.

Yesterday when we got to 4.30 I was nearly finished with my debate, and I don't propose to be much longer at this point. In fact, hopefully all Members will be in the House today, except for my colleague the Deputy Premier who is in the Brac (I don't think she can make it down). That statement has already been made. She couldn't make it here.

But in closing these remarks, let me reiterate the reasons for the objectives of the FFR are provided already in paragraph 6 of the document. And I want to say that those are:

1) To have effective medium-term planning which is achieved by means of a more robust and comprehensive strategic policy statement. And that is the budget, Madam Speaker.

And I want to say again to remind the House, that the Leader of the Opposition and others on the Opposition bench have tried to make this FFR out as a case or indictment against the current Government's record, in particular my management of the economy and what has happened, including civil servants, with accounts and so on. And I will have time to close with that.

But the FFR provides to have effective medium-term planning and this is achieved by means of a more robust and comprehensive strategic policy statement. That is to do with the budget.

2) To achieve value for money considerations and this is to be achieved by means of enhanced procurement procedures and evaluations and assessments of projects. And that is to do with procurement.

3) To effectively manage risk. And this is to be achieved by the means of definitions and limits to the Government and wider public sector borrowing. Again, it is to borrowing. It is nothing to do with procurement.

4) To improve public accountability in all public sector operations. And this is to be achieved by the means of timely prepared audited financial accounts. So this, again, has nothing to do with procurement.

Out of four, three objectives are because of the borrowings of the Government and the budgets of the Government and, Madam Speaker, only one of these was procurement. So why are they saying that this is so much about procurement? It is not, Madam Speaker. While it deals with it, it is not. It is because for four years the last Government did no accounts. None! That's one. And the Leader of the Opposition gets up here talking all sorts of rubbish about the procurement process, and this is what the FFR is about. And then has the nerve to talk about accounts!

The accounts of this country were brought up to date under my administration. Thank God. While the UK would not write it, they have told me privately that they were satisfied with how we had managed the budget to that extent. Of course, they wanted the budget process strengthened. And it had to be concerned with the budget and the borrowing.

Madam Speaker, while there is no doubt that the FFR addresses the topic of procurement. It is also most concerned about the fiscal performance of the Government. And it started back then as I related to this House yesterday.

Paragraph 2, if anybody has any mind about where this started and what it is all about pick up the document and read it. Paragraph 2(2) of the FFR states, and I quote: "Restoring prudent fiscal management." And I said yesterday that the operative word here is "restoring," which means that prudent fiscal management had been lost up until that time. This never started with my administration. I started

having to deal with it, but it wasn't started because we had done anything.

So, Madam Speaker, to point out . . . and all you need to do is to check the budgets, as I showed yesterday They were all deficits continuing and starting from 2008 and started to get worse with massive borrowing and then not real tendering procedures. There were no real tender procedures for those buildings. What are they talking about? Do they think people are blind fool and dumb? No! We have common sense.

And when you tell one company that they can't build any building . . . in fact, when you say that there is no expertise to build those schools, for instance, in Cayman, what are you doing? Where is the process? Where is the accountability? Where is the openness? We know there are companies that could have done it. Then, when you get to the point that you tell those companies that are existing in Cayman that you have to build this building for \$58 million, and they say, *Are you crazy? This thing is going to cost more*, and they said, *Sorry, that is what the tender is going to be*. And the tender went out for that. But what did we end up paying? We end up paying over \$100 million; the same thing that the Caymanian contractors first told them.

What is this? It is make believe, make fun, no real process, and then they come and blame McKeever Bush. *Let's kill McKeever Bush, because he's the Premier now. Let's kill him*. Oh yeah? I don't think so.

Madam Speaker, this is all about the last Government's management and the UK is taking no chances and they wanted this FFR in place. I signed the FFR, Madam Speaker, because I was under pressure to do so. No two ways about it. I was. I needed to get this country's budget and I was not going to see this country turn belly up without trying to get the budget. And the best thing for me to do was to sign it, register my complaint, and then later on try, because I knew what the FFR said. It said, "subject to the House." So, that meant, Madam Speaker, that this House could have made amendments. Of course, the United Kingdom came down and said, *Of course not, we're not allowing you to make any amendments*. And so they didn't.

Madam Speaker, the Bill as it stands now says that because the FFR says "subject to the House" . . . I want to repeat: I can beg Members to go . . . if we pass this thing through Cabinet, Cabinet members are committed to sign by collective responsibility. They are committed in this House to vote for it, for anything. But what I can't do is to bind any Member, no matter if we are a party, Madam Speaker. I am not a dictator. This is not a dictatorship; it is a democracy. And that democracy says that Members have an opportunity to do as they please. And that is, although they cuss the party system, it is this, that Members have a conscience, they have a right, they have their

own being to live with. And if Members don't want to, I cannot force them to, they vote their conscience. I would urge them to. And that's what I will do, and that's what I have done. So, they can cuss me and say that I don't want the FFR. I wouldn't have brought it if I didn't want it. But let's look at one point.

I gave the First Elected Member for George Town some credit yesterday, and I give him some again today, while the Opposition and the Independent Members have been very publicly critical of the Premier and my leadership, they have accused me of not being fiscally prudent and not being smart enough to lead the country. They say that we are corrupt. They have accused me of not wanting to follow process for procurement. However, now they are saying that the FFR document, which they criticise me for signing and committing to, they are saying . . . and if you listen to what the First Elected Member for George Town said, it's the savior for the Cayman Islands. We should do it. Both the First Elected Member for George Town and the Leader of the Opposition, have sung the praises for the FFR. They can't get out of that.

So, Madam Speaker, if the FFR is the savior for Cayman, then they must give me credit for bringing the legislation forward and signing the agreement with the UK. I know it's hard for them, but they can't have it both ways, Madam Speaker. It can't be that the FFR is good for the country but I am bad for bringing it forward. They can't do that. They can't.

Madam Speaker, I want to say to one and all, and I want to take time to give this analogy. One time in Scripture Moses sent 12 men to spy out the Promised Land. And the people of Israel were camped right next door and excited about possessing the land. But after 40 days, 10 of the men came back with a negative report. They said, *Moses, there are giants in that land. And we will never defeat them.* That negative report spread throughout the rest of the camp and the people began to murmur and complain and revolt against poor old Moses. But one, the spy named Caleb, said, *Moses, we are well able to defeat these people. Let us go up at once and take the land.*

It's interesting, Madam Speaker, that they all saw the same land, the same circumstance. Yet they had totally different views. How could their report be so opposite? Here's how: Caleb had a different spirit! He saw things with a different perspective; others were focused on the giants and they were scared of the giants. But Caleb was focused on the Lord and on the Promised Land. The people who complain never actually made it into the Promised Land. But Caleb did.

Madam Speaker, one and all, my backbench included, we have to do what we have to do. We can't fight the great United Kingdom. And if I signed something with them, yes, I sign it in a good will, but not to the extent that I didn't want something for it. I didn't

get that, and this House has been no help to me in getting it.

I just showed you, Madam Speaker, where this House never said anything except the Opposition criticised me about Cohen and continues to try to link corruption to it. But we are losing \$55 million in that deal because we didn't do the right thing.

Madam Speaker, my attempt to get projects to do things in this country is to get work for people, to get a better economy, to keep the economy safe and thus keep Government revenue steady and growing. This country cannot develop without projects. The country has no money to do so, we have to have partners. And so we want to be open and transparent.

Madam Speaker, in closing I want to read today's editorial of the *Caymanian Compass*. It is one of the most balanced ones I have seen for many, many long months. Here's what it says. It's entitled "[Developments are a warning.](#)" It says:

**"One of our front page stories today reveals that McAlpine, perhaps Cayman's most well-known construction firm, has reduced its staff from 180 people a few years ago and is going down to somewhere between 20 and 30 people by next year.**

**"The fact of the matter is there's no work for them to do in Cayman so they are seeking opportunities elsewhere in the Caribbean.**

**"Another fact is most of these jobs being lost, are held by Caymanians.**

**"Now, this may strike some as scare-mongering, but let's suppose just two of the proposed projects put forth by Cayman Islands Premier McKeeva Bush's government had proceeded to a stage where building might actually start. Take your pick; the Dr. Shetty hospital, the Cayman Enterprise City facility in Savannah, any one of a number of options from the ForCayman Investment Alliance, the Port redevelopment, the airport redevelopment and so on." All the things that I have put on the table!**

**"If just two of those major projects had gotten started, would a company like McAlpine be reducing its staff by the numbers we've seen and are about to see?**

**"We suppose we'll never know the answer for sure.**

**"What we do know is that there has been significant resistance and political hand-wringing over most of these projects—with the possible exception of Cayman Enterprise City—mainly coming from local interests that are either potential competitors with these entities or political opponents of Mr. Bush's administration.**

**"At some point or another, folks in this country need to decide what they are going to support; not just what they are against.**

**"If you support regression to the days of eating mango steak and sea-grass pie among**

**swarms of mosquitoes, please, continue along the current path because that's certainly where we'll be headed when the last commercial institution closes its doors.**

**"Otherwise, some type of economic development and progress must be accepted.**

**"Thank God there are still a number of options out there for Cayman.**

**"We should seize on a few before they aren't there anymore."** End of quote, and that's the end of the editorial in today's *Caymanian Compass*.

Madam Speaker, FFR or not, when this is written into law, when the FFR is written into law there will be more bureaucracy and then more things that we have to do. But I beg the officialdom to not play any games. I am asking them to once we put now our good foot forward to move, let us try to get the projects off and running so that our country can benefit and stop the hemorrhage that started here in the end of 2008.

Madam Speaker, we can do it. The business is there. And I contend, Madam Speaker, as I said at the airport today, that when my administration is over I would have put the country's financial situation in a good position, and that's what I promised the people. I promised the people that I would put projects there for one and all. And so, Madam Speaker, those things cannot be denied.

I ask the people of this country to be careful what they listen to and who they are listening to. Do not follow people who have not done anything for the country. I ask them to be careful about officialdom. I am not talking about elected members either. Because, Madam Speaker, there is a definite exertion to harm in this country. I am not talking about my life being threatened. It has been. But, Madam Speaker, I am talking about the good of one and all. When they strike me down, as they are trying to do, they will fall short of a voice that has been for them, a voice that has prepared for them, a being that put things in place for them. That's what I have tried to do as the Premier of these Islands, as they like to say.

I am the Premier. I am. And I am the elected Premier. We have Governors, we have Deputy Governors, and we have other officials. Madam Speaker, so be it. Respect is due to them. But respect is due to me. Maybe they don't want to do that, and I don't care about it. All I am asking, Madam Speaker, is to allow my Government to perform. I have been begging this. Stop painting everything as bad and look at the good. Stop saying if a sixpence is made in George Town I must make a shilling out of it and you mustn't get anything. That's the big problem in these Islands. Some people want it all. And they even just have to think that somebody else is getting something out of it (not necessarily so, Madam Speaker), then they rally and they say that person is crooked, his family is no good, and all sorts of things.

Madam Speaker, when are we going to learn? When are Caymanians going to learn that there are those that do not want to see us succeed? And that we will fall from within, and those that don't want us to succeed are going to grin and laugh and then cut tail out of this country and leave us holding the bag; us, our children and our grandchildren.

They can cut me down, Madam Speaker. They can put it in the papers, they can investigate me, and they can take things out of context. I will live through it, because I know I have done no wrong. Mistakes are made, but I haven't done anything illegal. But what of the country? Show me and tell me what your alternative is for the people of these Islands who are losing their homes, who can't pay their electric bills. I'm sick of saying it, but it's a fact. So much so now, that the Opposition is picking up on the same thing. Mind you, they were facing it all along, you know. But they wait until we get close to the election to say, *Ah-ha! You didn't do anything, and the people are suffering.* So they are. But I put it on the table. I went abroad. I begged, I walked, I talked. Yes, I went on a plane, but I did it for the good of these Islands.

Let's hope that this FFR will be for the good of these Islands. I ask all Members to rethink their position. It is their conscience. It is their right to do what they want to do. I am going to vote for it.

Thank you very much, Madam Speaker.

Madam Speaker, one point: There is going to be an amendment, and I think I should say so at this point. I will be proposing a committee stage amendment to the Bill, a simple amendment to affect the typing in or inclusion of the names W. McKeever Bush, and Henry Bellingham in the signature strip of the FFR document that is shown in the sixth Schedule that the Bill proposes. The amendment will also propose to have the date of 23 November 2011 typed in on the Bill's proposed sixth Schedule. The 23 November 2011 was the date that the FFR was signed. I don't know why they want all of that for, because, as I said, if I had said "good morning" in that document, that was going to be law.

Madam Speaker, I think they go too far with it. Yes, we need accountability. Yes, we need to make sure that we are spending the right amount of money for things. But all this, we don't need. But I am going to do it.

Thank you, kindly, Madam Speaker. I thank you for your indulgence and your patience, and sometimes not so much your patience!

**The Speaker:** The question is that a Bill shortly entitled Public Management and Finance (Amendment) Bill, 2012 (third version) be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Hon. D. Kurt Tibbetts:** Madam Speaker, can we have a division please?

**The Speaker:** Yes we may.

**The Premier, Hon. W. McKeever Bush:** What are we going to do that for? To show that Alden not here? Boy, you're treating him bad.

**The Clerk:**

#### Division No. 5

**Ayes: 8**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Hon. D. Kurt Tibbetts  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**Noes: 3**

Hon. Cline A. Glidden, Jr.  
Mr. Elliot A. Solomon  
Mr. Dwayne S. Seymour

**Absent: 4**

Hon. Juliana Y. O'Connor-Connolly  
Hon. Alden M. McLaughlin  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden

**The Speaker:** The result of the division is 8 Ayes, 3 Noes, 4 absent.

The Public Management and Finance (Amendment) Bill, 2012 [third version], has been given a second reading.

**Agreed by majority on division: The Public Management and Finance (Amendment) Bill, 2012 (third version) given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bill.

#### House in Committee at 2.31 pm

### COMMITTEE ON BILL

*[Hon. Mary J. Lawrence, Chairman]*

**The Chairman:** Please be seated.

The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Attorney General to correct minor errors and such the like in these Bills.

Would the Clerk please state the Bill and read the Clauses.

### Public Management and Finance (Amendment) Bill, 2012

**The Clerk:** Public Management and Finance (Amendment) Bill, 2012.

Clause 1	Short title
Clause 2	Amendment of section 2 of the Public Management and Finance Law (2010 Revision) – definitions
Clause 3	Insertion of section 14A – compliance with the Framework for Fiscal Responsibility

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** Clause 4 Insertion of Sixth Schedule, Framework for Fiscal Responsibility.

**The Chairman:** Honourable Premier.

#### Amendment to Sixth Schedule

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in accordance with the provisions of Standing Orders 52 (1) and (2) I, the Honourable Minister of Finance, Tourism and Development, give notice to move the following amendments to The Public Management and Finance Bill, 2012: That the Bill be amended at the end of paragraph 42 of the Sixth Schedule by adding the signatories to the Framework and dates on which the signatories signed as follows: Signed "W. McKeever Bush," then the date "23 November 2011" signed by "Henry Bellingham" date "23 November 2011."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If not, I will put the question.

The question is that the amendment stands part of the [Sixth Schedule]. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to Sixth Schedule passed.**

**The Chairman:** The question now is that the [Sixth Schedule], as amended, stand part of the Bill. No one



wishes to speak? I will put the question that the [Sixth Schedule] as amended stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: [Sixth Schedule] as amended passed.**

**The Clerk:** A Bill for a Law to amend the Public Management and Finance Law (2010 Revision) to incorporate the Framework for Fiscal Responsibility agreed by the Governments of the Cayman Islands and the United Kingdom on 23 November, 2011; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question now is that the Bill be reported to the House. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**House resumed at 2.32 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

The subject that you all are talking about . . . it is not necessary to move it again. At the beginning of this we said that we would suspend Standing Order 14(3) to enable Government Business to have precedence over Private Members' Business. That Standing Order has already been moved.

Can we continue now to complete the business on this Bill before the House?

## **REPORT ON BILL**

### **Public Management and Finance (Amendment) Bill, 2012**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled the Public Management and Finance (Amendment) Bill, 2012, was considered by a Committee of the whole House and passed with amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

## **THIRD READING**

### **Public Management and Finance (Amendment) Bill, 2012**

**The Clerk:** The Public Management and Finance (Amendment) Bill, 2012, Third Reading.

**The Speaker:** Honourable Minister.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that the Public Management and Finance (Amendment) Bill, 2012, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled the Public Management and Finance (Amendment) Bill, 2012 (third version) be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Management and Finance (Amendment) Bill, 2012 (third version), read a third time and passed.**

## **SECOND READINGS**

### **Maritime Authority (Amendment) Bill, 2012**

**The Clerk:** Maritime Authority (Amendment) Bill, 2012.

**The Speaker:** I will explain again. We are moving on with this because at the beginning of this sitting we moved the suspension of Standing Order 14(3) to enable Government Business to have precedence over Private Members' Business. That has already been moved and we are moving on now to the Bills on the Order Paper.

Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the Second Reading of a Bill entitled The Maritime Authority (Amendment) Bill, 2012.

**The Speaker:** The Bill has been duly moved, does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Government has realised that current

provisions in the Maritime Law regarding, a) the terms of appointments of members of the Board are such that it is possible for all Board members to reach the end of their maximum term at the same time. This would create problems regarding the Board's efficiency in terms of continuity since a completely new Board would have no corporate memory; and b) the indemnity of directors and staff against claims, damages, costs, charges, or expenses, where the officer has acted in good faith does not extend to the secretary of the Board, thus leaving this office holder vulnerable.

Finally, Madam Speaker, some minor errors have been noted in the Law and the opportunity to correct these concurrent with the above terms has been taken.

Madam Speaker, as taken from the Maritime Authority (Amendment) Bill, 2012, itself, the detailed amendments that are now being proposed are as follows: Clause 1 provides the short title.

Clause 2 repeals subsection (2) of section 20 of the principal Law and substitutes provisions which extend the requirement for the Authority to provide indemnity for its directors and staff to also cover the secretary of the Authority.

Clause 3 repeals paragraph 3 of the First Schedule to the principal Law and substitutes new provisions allowing for the term of appointment of different directors to be varied between three years and one year.

Clause 4 amends the Second Schedule by correcting two erroneous references in paragraph 2(2) of that Schedule, namely, the substitution of the words "section 11 and 12" with the words "section 12 and 13."

Madam Speaker, this concludes the detailed description of all the proposed amendments in the Maritime Authority Law, 2008. I therefore recommend the Bill to this honourable House for passage.

**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? [pause]

If not, I will call on the Honourable Premier to conclude the debate.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I just want to thank Members for their obvious support.

**The Speaker:** The question is that a Bill entitled the Maritime Authority (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 Maritime Authority (Amendment) Bill, 2012, given a second reading.**

**Tourist Accommodation (Taxation) (Amendment) Bill 2012**

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

**The Speaker:** Honourable Premier.

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

I move the Second Reading of a Bill entitled, The Tourist Accommodation (Taxation) (Amendment) Bill 2012.

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I rise today to move this Bill. It seeks to amend the Tourist Accommodation (Taxation) Law (2003 Revision) in order to increase the accommodation tax.

Clause 2 amends section 3(1) of the principal Law by increasing the accommodation tax from 10 per cent to 13 per cent. Accommodation includes overnight accommodation in any establishment where tourists are accommodated and are charged for such overnight accommodation and connected service. It is worth noting that service does not include the cost of food, drink and other consumables supplied to a tourist.

Honourable Ministers and Members will recall that the Government has recently introduced the necessary revenue measures in the 2012/13 Budget in order to fund the recurrent operation and capital works of the Government. This increase in the accommodation tax, forms part of the revenue measures that are required, and I ask the House to give it their support.

**The Speaker:** Does any other Member wish to speak?

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; just a quick question on the actual policy of this.

I have had some questions as far as when the charge will actually come into effect. I think as the Honourable Minister of Tourism, the Premier, knows, a lot of our business here is pre-booked and pre-paid. So when the law is assented to, is it going to be that if the room has not been used at that point that the 13 per cent will be put in place or if the room has been purchased before?

*[Inaudible interjection]*

**Mr. Moses I. Kirkconnell:** I am sure there is an easy explanation, but there have been quite a few questions coming about what the policy is going to be.

**The Speaker:** Does any other Member wish to speak?

Member for East End.

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

Whilst I understand the objective of the Government to raise funds, and in raising of funds the Government has to do whatever and look at all necessary tax measures to see where they can apply an increase, Madam Speaker, I wonder why this one is coming and how it is coming, because when in the famous agreement between Dart Reality and the Government, the NRA, the famous NRA Agreement—or infamous—that is currently being investigated I understand, there are provisions in there that the Government is allowing Dart an exchange under the For-Cayman Alliance to take 50 per cent of the accommodation tax which currently stands at 10 per cent of the cost of the room.

Now, Madam Speaker, this increases it by 30 per cent of the value of that room. It is hard to appreciate or understand if this Parliament is in the process of giving or legislating laws to increase the fortune of Dart, which is what it would do if there are no provisions to prevent giving him, or Dart Reality, that company, 50 per cent of this as well.

I shudder at the thought that maybe Parliament is trying to increase the financial fortune of that company. Now, I don't see anywhere that it says, nor would it say anywhere in the Law or in this amending Bill, that it would mean that the increase means that Dart Reality would get 50 per cent. However, I believe it is fair and is reasonable to the country that the Government stand up and say whether or not that is the case.

If we are increasing the taxes in this country to further the cause of Dart Reality, then I have a fundamental problem with it. I really have a fundamental problem with this, and I cannot support that. I will not support that because that is 30 per cent, as I said earlier, of the value of all rooms in this country which would be given Dart Reality 15 per cent of all accommodations collected here on top of the 50 per cent that . . . that is hotels that they own. It would be another 15 per cent on top of that 50 per cent, of the value that is, Madam Speaker; not the percentage . . . the percentage would only be 50 per cent, but it would be 65 per cent of the value of the room per night.

Madam Speaker, that doesn't auger well with me, and I trust that it doesn't auger well with this country. Because if we are going to increase taxes, they must be for the betterment of the people of this

country and it must not be for a select few. But I am sure the Premier of this Government will tell us in his response whether or not Dart Reality will be given another 50 per cent of this 3 per cent that we are adding on, because as I understand it, the NRA Agreement says that they will be entitled to retain 50 per cent of all accommodation tax on all hotels that they own.

Madam Speaker, I have some real concerns about that because Parliament should not be used for that. If that is the intent, or if it is not, then we need a statement from Government saying they are not going to use Parliament to increase taxes to facilitate a particular company. Thank you.

**The Speaker:** Does any other Member wish to speak?

Honourable Minister of Education.

**Hon. Rolston M. Anglin, Minister of Education, Training and Employment:** Madam Speaker, we certainly know that despite even the pleas of reasonableness in today's editorial in the *Caymanian Compass* could never, ever temper the enthusiasm of the Elected Member of East End to ensure that he politicises any single issue that he believes is going to increase his vote count by one come next May. And so, at the end . . . oh I won't do any to increase your vote count sir.

At the end of the day we were not surprised that he would rise to bring into the whole spectrum this whole issue.

The construct of the NRA Agreement is such that we wanted to ensure that we not only put in place a development incentive to create economic activity and jobs, but to also ensure that a single property wasn't given any form of competitive advantage. The other way we could have done this would have been to have given them the direct advantage to reducing the charge applicable to a particular customer which, of course, is not something that I believe most in this House would have wanted to have happened.

The issue that has been raised by the Elected Member for East End is one that the Government is acutely aware of and we will ensure that the outcome which the Member for East End has alluded to is one that does not form part of the equation going forward. What he was saying, Madam Speaker, was that for every \$100 of a room rate where at present there would be 10 per cent charged, if the 50 per cent rebate wasn't a development incentive to any party at present, would we want that 50 per cent to now apply to a higher rate of room tax, therefore increasing that incentive by \$1.50 which would be half of the \$3.00 additional room tax per \$100 room rate per night. And so that piece of his argument is something that is quite understood by CIG and would be something that we would have to look at, at any particular point of time in the future with any developer who may have an incentive structure that looks like this once a sub-

sequent increase in the actual rate was to be brought about by a government at the time.

Of course, there on the flip side the opposite could obtain as well, where a government in the future could reduce that particular amount of room tax. Let's say if it went from 10 per cent to 5 per cent, I believe that all in the House would agree that the mechanism at that point would be fair if you are going to be giving a specific incentive for development, you would have to look at the length of time that that incentive were to have its particular life.

So, Madam Speaker, this increase has nothing to do with the Dart Reality group of companies' expressed interest and commitment to building a hotel. This is a percentage that Government was assured by the private sector was one that would not adversely harm our tourism product. It is very important for us to ensure that everyone's mind is very clear that for every \$100 of room rate per night, this is going to mean a \$3.00 increase. So if you have a room that's \$300 per night, the 3 per cent increase is \$9.00 for that particular room.

In fact, Madam Speaker, when these rates were being changed along with the passenger duty, we did an analysis of a family of five coming to Cayman with two hotel rooms and looked at what the impact would be if they spent a week in the Cayman Islands and two weeks in the Cayman Islands. From a cost perspective, the total increase (if I remember correctly) was somewhere in the region of \$47.00. I don't have the actual spreadsheet in front of me at this point. I think it was something like \$47.00 for a family of that size with two separate rooms.

This is a key part of the revenue enhancement measures to comply with the four-year budget plan that ends in the fiscal year 2016 that has been negotiated and agreed with the Foreign and Commonwealth Office. And, Madam Speaker, this has nothing to do with trying to incentivize any particular property or any particular developer.

As I said, the fine point that was hidden in what the Member for East End was saying is one that the Government takes on board and will ensure that it will form part of the overall agreement going forward so that there is no direct incentive or disincentive, for that matter, should these rates go up or down.

So, Madam Speaker, in any form of development, governments are going to have to ensure that they work very, very closely with developers, because ultimately, it is the direct economic benefit of building and construction activity but, more importantly, the long term impact that business activity, which includes employment and the purchase of goods and services that has the real benefit in our economy. I do not believe there is any Member of this House that does not clearly understand that our country needs more economic activity for us to have the vibrant economy that will underpin the level of services that this country has grown accustomed to and the level of services that

the public has grown accustomed to in our day to day lives. So, yes, Madam Speaker, this is a key point that is already at the forefront of the Government's mind to ensure that the fear the Elected Member for East End alluded to does not come to fruition.

**The Speaker:** Thank you, Honourable Minister for Education.

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

If not, I call on the Honourable Premier to conclude the debate.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I don't have anything to add. I think the Minister for Education adequately covered the ground and I won't bother to go over it. The query from the Member for Cayman Brac about when the change will be effected, Madam Speaker, they won't be charged if the room was paid for before the law comes into effect. So, I think, as I said, I need to go further into the Bill at all, just to thank the Minister of Education and the Member for Cayman Brac who rose to, I think, give support.

**The Speaker:** The question is that a Bill entitled the Tourist Accommodation (Taxation) (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 Tourist Accommodation (Taxation) (Amendment) Bill, 2012, be given a 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:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move for the Second Reading of the Bill entitled The Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012.

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

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

Clause 2 of the Bill repeals and substitutes section 4 of the principal Law to increase the departure tax from \$16.00 per traveler to \$26.00 per traveler and to indicate the amounts payable from the tax collected to the Cayman Islands Airports Authority and to the Collector of Taxes.

The amount payable to the Cayman Islands Airports Authority is \$16.00 per traveler and the amount payable to the Collector of Taxes is \$10.00 per traveler.

Madam Speaker, honourable Ministers and Members will recall that the Government recently introduced the necessary measures for the Budget. The increase in departure tax, forms part of the measures required and I ask Members to give it their support.

**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? [pause]

If not I will call on the mover of the Bill to make his concluding statements.

**The Premier, Hon. W. McKeever Bush:** I just want to thank Members for their obvious support. They are all behaving themselves today.

**The Speaker:** The question is that a Bill shortly entitled, The Travel (Departure Tax and Environmental Protection Fee) (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: Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012, given a second reading.**

**Stamp Duty (Amendment) Bill, 2012**  
*[Deferred]*

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

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I am going to ask that this Bill be put back on another Order Paper. We are not quite ready to deal with it.

So, Madam Speaker, that's a formal motion; I move, if you will allow that the Stamp Duty (Amendment) Bill, 2012, be carried over to another Order Paper.

**The Speaker:** Can someone give me the correct Standing Order under which a deferment is moved?

*[pause]*

**The Speaker:** Honourable Premier, would you state the motion for deferment please, again, so we can get the record straight?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, what I am asking is that the Stamp Duty (Amendment) Bill, 2012, be deferred to another Order Paper.

**The Speaker:** The question is that the Stamp Duty (Amendment) Bill, 2012, be deferred to another Order Paper.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Stamp Duty (Amendment) Bill, 2012, deferred.**

**The Speaker:** The House will now go into Committee to examine the Bills.

**House in Committee at 3.09 pm**

**COMMITTEE ON BILLS**

*[Hon. Mary J. Lawrence, Chairman]*

**The Chairman:** Please be seated.

The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Honourable Attorney General to correct minor errors and such the like in these Bills.

Would the Clerk please state the Bill and read the Clauses.

**Animals (Amendment) Bill, 2012**

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Deputy Premier, who this Bill stands in the name of, is not available today, so we have to carry it over to another [committee] meeting unless, if Members are content, I am sure there is no committee stage amendment and we can take it through. If Members are content with that—

**Mr. V. Arden McLean:** Any Minister can carry another Minister's thing through whatever stage they want to take it through.

**The Premier, Hon. W. McKeever Bush:** I think I know that too, but I would give—

**Mr. V. Arden McLean:** So why are you turning it back for then?

**The Premier, Hon. W. McKeever Bush:** Well, because the Minister is not here, as I explained. But I will repeat: the Minister is not here because she's in the Brac, in her constituency and couldn't be here. But if Members are content, Madam Chair, then I will move it.

**The Chairman:** Is it the wish of this House to move forward this legislation at this time, committee stage?

**Some Members:** Aye.

**The Chairman:** Please proceed.

**The Clerk:**

Clause 1	Short title
Clause 2	Amendment of section 82 of the Animals Law (2011 Revision)—animal sanctuaries

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** 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.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Health Insurance (Amendment) Bill, 2012**

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

Clause 1	Short title and commencement
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**Hon. J. Mark P. Scotland:** Madam Chair, I had a motion for an amendment to clause 1.

**The Chairman:** Honourable Minister of Health.

#### **Amendment to clause 1**

**Hon. J. Mark P. Scotland:** In Accordance with the provisions of Standing Order 52 (1) and (2) I, the Honourable Minister of Health, Environment, Youth, Sports and Culture, give notice to move the following amendment to The Health Insurance (Amendment) Bill, 2012: That the Bill be amended in clause 1 (2)(a) by deleting the words "section 2(d) and (g) shall come into force" and substituting the words "section 2(d), 2(g) and 3 shall come into force".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak thereto? [pause]

If not, I will put the question that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 1 passed.**

**The Chairman:** The question now is that clause 1, as amended, stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1, as amended, passed.**

**The Clerk:** Clause 2 Amendment of section 2 of the Health Insurance Law (2011 Revision) – definitions.

**Hon. J. Mark P. Scotland:** Madam Speaker, I also gave notice of an amendment to this clause as well.

#### **Amendment to clause 2**

**The Chairman:** Honourable Minister of Health.

**Hon. J. Mark P. Scotland:** I propose to move the following amendment to the Health Insurance (Amendment) Bill, 2012, by inserting after clause 2 the following clause: "3. The Health Insurance Law (2011 Revision) is amended in section 5 by repealing section 15(a) and substituting the following section: '15(a) except as permitted by regulations prescribed under

section 25 no underwriting is permitted under the standard health insurance contract.”

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak thereto?

Member for North Side.

**Mr. D. Ezzard Miller, Member for North Side:** Madam Speaker, I don't think I have seen the amendment. Was the amendment circulated?

**Hon. J. Mark P. Scotland:** Yes a long time ago.

**Mr. D. Ezzard Miller:** We have notice of one amendment. I have seen an amendment to be moved by the Minister, which was moved for clause 1. I have not seen—

**Hon. J. Mark P. Scotland:** It's in the same thing.

**Mr. D. Ezzard Miller:** I have not seen the amendment that you just proposed for clause 2.

**The Chairman:** It's on the same paper.

**Mr. D. Ezzard Miller:** Okay.

**The Chairman:** It's on the same page.

**Mr. D. Ezzard Miller:** Okay, my mistake.  
Anyway, Madam Speaker, I also served notice for two amendments to clause 2.

**Hon. J. Mark P. Scotland:** We have to vote on this first.

[pause]

**The Chairman:** Member for North Side.

**Mr. D. Ezzard Miller:** Madam Chair, I think you have to vote on the amendment moved by the Minister of Health first.

**The Chairman:** You are amending clause 2?  
Do you want to say something else, Minister?

**Hon. J. Mark P. Scotland:** No, I am just agreeing with what Mr. Miller said. We need to vote on my amendment first please.

**The Chairman:** The question is . . . no. The Amendment has been duly moved. Does any other Member wish to speak thereto?

If not, the question is that the amendment stands part of the clause. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question now is that clause 2, as amended, stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2, as amended, passed.**

**The Chairman:** Member for North Side.

### **Proposed Amendment to Clause 2**

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

Having given the proper notice, and circulated an amendment to clause 2(d), the effect of which would be to remove the definition of “high risk insurance person” from the Bill and also in clause 2(g) to have the same effect of removing “uninsurable persons” from the Bill.

These two types of individuals have been the most vexing part of the whole health insurance industry in the Cayman Islands. And I think it is time that we follow Obamacare and wipe them out from our Health Insurance Law in the Cayman Islands.

**The Chairman:** Do all Members have a copy of the amendment that is being made to the Bill at the present time by the Member for North Side?

The amendment has been duly moved. Does any other Member wish to speak thereto?

Minister for Health.

**Hon. J. Mark P. Scotland:** The proposed amendments by the Member for North Side speak to removing the definition of “high risk” and “uninsurable” persons. When you consider the population of the Cayman Islands you certainly can't compare it to the US and talk about Obamacare. The total population in Cayman is only around 55,000 and with only I think 8 or 9 insurance companies, maybe an average of 6,000 persons. And when breaking those down into the pools by each company and the insured person as well, the average size of the insurance pool in some of those plans is less than 20 persons.

If we were to remove those definitions it would require that every approved insurer would have to provide cover regardless for every individual that applies for health insurance without any consideration of their medical condition or how severe they may be ill. It would not be possible for them to cover, or for them

to assess the potential risk that they would be required to carry if these definitions were removed.

With the definitions we have now, and with the provisions that we are now putting into the Law as well, and that are in the Law already, the Health Insurance Commission is going to have criteria there using the standard application enrolment form that is going to be used by all approved insurers. It will give the type of information that is required so that they can assess the person, assess the risk that they are going to have to insure and it is going to be quite a rigid process that they have to go through to be able to deem someone to be high risk or ultimately high insurable.

So, what we have done with the amendments here is tighten up the criteria such that the numbers of persons deemed high risk and uninsurable will be minimised. But we have to leave that provision in there as insurers are insuring against a risk, and to be able to tell them that they have to insure anybody that walks off the street regardless of their medical condition or how severely ill they are would be unreasonable.

**The Chairman:** First Elected Member for George Town.

**Hon. D. Kurt Tibbetts, First Elected Member for George Town:** Thank you, Madam Chair.

Permit me as I want to make sure that I understand what the Minister is saying. I understand the gist of what he is saying, but in some specifics the Minister has said that to take out the definitions the Elected Member for North Side has moved his amendment to do, would mean that the insurance companies would not have the ability to make proper assessments of clients who might otherwise be in that category, but these amendments are being tightened up, as I understand what he just said, to allow them to do so, to do just that—to be able to make proper assessments.

He also made some comparisons to what the Member for North Side said about Obamacare. Frankly speaking, I don't care what they call it, but that's the terminology used, and we know what we are talking about when we say that. And we are talking about millions against a few thousands. And I know that is his point. But I think it is all relative. So, I would think that proportionately it would end up relatively speaking to be the same thing that the insurance companies are facing because if they have more of them in the North American Continent and if it works through to the law of averages, then proportionately they will have the same numbers, or pretty close to the same number, of what we deem to be uninsurable. So, the multiplier effect to me would mean the same thing.

Now, perhaps the Minister can, as we are in Committee, clarify what he was saying a little bit better. But to be truthful, I want to understand what he's

saying, but I do not grab on to the point that the fact that this is a much smaller pool of individuals we are talking about, means that the insurance companies should not have that type of exposure.

Madam Chair, while I believe that I understand the principles involved, I also believe very firmly that when insurance companies go into business and they use in many instances actuarial studies, and they decide on insurance rates based on risks that face them, the statistics that are used are historical data which include all and sundry not excluding uninsurable.

If their historical data and any actuarial assessments that are done include what we would now term as "uninsurable" then what it means is that the principles which apply to health insurance and, likewise, property insurance and life insurance, then they really are not being applied the way they should be because the whole principle of insurance is that everybody pays for those who have to claim. That is the basic principle.

That risk is spread across the board so that when it is spread across the board everybody pays a little bit instead of one person having to pay plenty and that goes throughout industry. It is not just health insurance.

So, forgive me, but I really am not with it as to why we, as a small jurisdiction, should look at all of those principles differently from the larger jurisdiction, unless I did not get the point.

**Hon. J. Mark P. Scotland:** I think the only part of the point that I would add to that is that the terms we have in there now are much more loosely applied by insurers. As I said, the criteria as to how we have amended it, means that it's going to be much more difficult for an insurer to deem you high risk or to deem you ultimately uninsurable. But in my remarks when I tabled the Bill I mentioned certain conditions, that if someone were to walk off the street in a gravely ill condition, should the insurer be required to insure that person. And because there are persons who . . . in other words, the question is: Are there persons in society, in the community, that are uninsurable? Yes there are. So, there must be a definition in the Law to cover those persons.

What is in place now is that the criteria to deem that person either high risk or uninsurable is very much more rigid. So, [with] the approval of the Health Insurance Commission and so on prior to that happening, the insurers are not able to cherry pick as they were; the term used to pick those persons and uninsured persons who they wanted or didn't want prior to this.

**Hon. D. Kurt Tibbetts:** I understand better what the Minister is saying. But am I allowed to . . . thank you. I just want to make sure I understand it very clearly.



So, having understood that, and if I understood what the Minister was saying, what the Minister is saying now is that instead of them just arbitrarily deciding *We are not insuring you because we are deeming you to be uninsurable*, there will now be a process—

**Hon. J. Mark P. Scotland:** A much more rigid process.

**Hon. D. Kurt Tibbetts:** —which they are not the highest authority on. Someone else would say, *Yes, you're right*, or, *No, you're wrong*. Fine!

But then it still leaves individuals, whether with pre-existing conditions or not, to the point of being what you term “uninsurable.”

**Hon. J. Mark P. Scotland:** But the Law says that they have to have insurance provided by approved insurer. And that approved insurer in the final analysis will end up being CINICO. So they will still be eligible to receive insurance, not just by one of the approved insurers.

**Hon. D. Kurt Tibbetts:** Fine.

So, my question then is, why should we (I need it answered) as legislators decide to create amendments to an insurance law for the entire nation and then say, *All right guys, here's how this thing is going to go. We're going to let you off the hook. But because we are the Government any of the tab that is a little bit heavier than most premiums are, we are going to pick it up for you*. Tell me that.

**Hon. J. Mark P. Scotland:** But that's in the Law now.

**Hon. D. Kurt Tibbetts:** You're not with me.

**Mr. D. Ezzard Miller:** That is why we need to take it out of the Law.

**Hon. J. Mark P. Scotland:** No, but—

**Hon. D. Kurt Tibbetts:** I am saying . . . all I am asking is, then whether it is in the Law now or not in the Law now, then perhaps you need to look at that and bring another amendment. But whether it is or not in the Law now, I am saying that my understanding then is that the most high risk clients of our citizens, the government through CINICO is left to pay the tab while those insurance providers who are all applying the same principles and who do business to make money don't have to entertain any of that risk.

**Hon. J. Mark P. Scotland:** No. Part of that is also paid for theoretically through the segregated insurance fund. That's what it was created for.

**Hon. D. Kurt Tibbetts:** I am very happy that you said “theoretically,” because that's all that is. And forgive me but—

**Hon. J. Mark P. Scotland:** So a part—

**Hon. D. Kurt Tibbetts:** —forgive me but I don't buy that because it is theoretical, and you know it too.

**Hon. J. Mark P. Scotland:** One of the amendments to the regulations is to increase that segregated insurance fund so that more of that is contributed toward the persons that fall in that category.

**Hon. D. Kurt Tibbetts:** And who has access to that fund?

**Hon. J. Mark P. Scotland:** That fund comes with government but it is regulated through the Health Insurance Commission and is well audited. And it is—

**Hon. D. Kurt Tibbetts:** No, I don't doubt that it's well audited and that kind of stuff, but—

**Hon. J. Mark P. Scotland:** No, the collection really is almost 100 per cent of it is audited every year and so on, so it is collected through government revenue but it's . . . the amount each year is approximately \$2.8 million, and will be doubled with the amendment we are making today, the Health Insurance Regulations.

**Hon. D. Kurt Tibbetts:** And who will be paying the amount to make it double?

**Hon. J. Mark P. Scotland:** It is now \$5 for every individual—

**Hon. D. Kurt Tibbetts:** It's the policyholders that will be paying it, right?

**Hon. J. Mark P. Scotland:** It will probably be passed . . . but that was the—

**Hon. D. Kurt Tibbetts:** Now, listen to me now, let's not play with that—

**Hon. J. Mark P. Scotland:** —intent of the Law when it was passed as well.

**Hon. D. Kurt Tibbetts:** It is the policy holders who will be paying for it.

**Hon. J. Mark P. Scotland:** That's correct.

**Hon. D. Kurt Tibbetts:** Hence, my point again.

**Hon. J. Mark P. Scotland:** But it—

**Hon. D. Kurt Tibbetts:** —no more risk for the providers!

**Hon. J. Mark P. Scotland:** But, Mr. Tibbetts, if . . . any way that you do it, if you take these clauses out of the [Bill] what is going to happen when they require it? Who is going to pay for it then?

**Hon. D. Kurt Tibbetts:** Sorry?

**Hon. J. Mark P. Scotland:** Who is going to pay for it? If you are required to insure every person regardless of their health condition or otherwise, who is going to pay for it?

**Hon. D. Kurt Tibbetts:** I have answers for what you are saying because I have thought this thing—

**Hon. J. Mark P. Scotland:** No, but who, if nobody—

**Hon. D. Kurt Tibbetts:** Set ceilings on them.

**Hon. J. Mark P. Scotland:** Who is going to pay for it?

**Hon. D. Kurt Tibbetts:** Then you set ceilings on them.

**Hon. J. Mark P. Scotland:** On what?

**Hon. D. Kurt Tibbetts:** On the amount they can charge as premiums because you do the same actuarial review they do. And give them a chance to make a business case and make a dollar.

**Hon. J. Mark P. Scotland:** But we have that now. There are ranges to the premium ratings now.

**Hon. D. Kurt Tibbetts:** Madam Chairman, perhaps I have exhausted . . . and I need to understand. I need for everybody to understand that I understand what the Minister is saying, and I was part of a Government that faced the same situation. So, I am not suggesting for a minute that this is an isolated situation and the Government is not tending to the situation in the most appropriate matter that they can deem. I am trying to drive the point home that in my personal view (and I am not sitting in Government today, but in my personal view) the business case that insurance providers generally (and I am not pointing fingers at anybody, but I make a general statement) the business case they provide insulates them too much from any of these difficult individual circumstances, and I just feel like they should bear some of the burden a little bit more understanding what the Minister is saying, that if you do that then, they are going to reassess their premiums and that kind of stuff. And that has been the threat that they have used all along, like a big stick that they wield over you.

But I am saying . . . perhaps it's . . . just from the mannerisms it makes no sense to continue this discussion, Madam Chair—

**The Premier, Hon. W. McKeever Bush:** Madam Chair—

**Hon. D. Kurt Tibbetts:** —but I still want to make my point.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I think that what I would ask the Minister to do is to defer this point of committee stage to bring it back once we have had some discussion. I think there is a lot of validity in what is being said on both sides and the Minister well knows that it is a matter that we have been struggling with. So, I think that if we can get a better position—that is if we can get a better position—because we know, and the Minister is bombarded daily, and, of course, as the Minister of Health he is bombarded daily. As the Finance Minister I have to bear the brunt of trying to find the funding. I think that we need to find, at this point, because it is something that we've been talking about. I know that he's been in investigations on his end, and he's doing his work.

I am saying all that to say that we need to defer it and we have some discussions and then we put it back on the Order Paper.

**The Chairman:** He's asked that we defer the committee stage of this Bill until another day.

**Mr. D. Ezzard Miller:** Madam Chair, I have listened to what other Members have said. These two terms “uninsurable person” and “high risk persons” has been used by the insurance industry to their advantage from the time health insurance was proposed in this country first in 1991, by myself! And, Madam Speaker, I have some difficulty that we have legislation that requires every person in the Cayman Islands to have health insurance, but then we also allow some people in that legislation to be identified as uninsurable persons.

As we all know, the whole idea of health insurance to start with was to spread the risk of individual cost to individual people when they get sick. And the numbers thrown out by the Minister, he talks about the millions in the United States whereas it's just 55,000 in Cayman. I think if he looked at the premiums that the actuaries calculate in the US market and the premiums that the actuaries calculate for the Cayman Islands, they will find that there is a substantial difference in that.

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** Exactly! The point being that the actuaries have taken the pool and that is why the rates are so much higher.

But, Madam Speaker, they are not . . . and, of course, there is 100 per cent payment of the \$5 and the \$10. If I were an insurance company and the government would pass legislation that allows me to pay them \$5 for somebody to cover people that I don't have to cover, which is going to reduce my profit, of course, I'd be happy to pay the \$5 and the \$10 and I would make sure they get paid every month too so that we don't have to worry about it. Because you combine this creature of an uninsurable person with the high risk person and, Madam Speaker, the Government can propose to tighten it up as much as they want in regulations; it is going to be abused by the insurance companies. They have proven time and time again.

Madam Chair, they come into any company and there are 200 employees. They determine by their actuaries what they should be charging for health insurance for that company based on the demographics of the company, the incidences of disease in the country and all the other things that the actuaries do. And after they set the premium based on covering everybody, we allow them to throw out the ones that they have to pay for and dump them into Government's Treasury and we tax the people of the Cayman Islands to pay for them.

Something is wrong with that formula, Madam Chair. But, of course, we know that the health insurance lobby in this country is very effective and they spend a lot of time protecting their bottom line. And, Madam Chair, as long as these two terms remain in the Law, the Government does not have the wherewithal to match the insurance industry and make sure that they are enforced in a reasonable way. And the only long term solution to this, the only way to protect the Treasury from being saddled continually with these high claims and the insurance companies walking away is to take it out of the Law.

**Hon. J. Mark P. Scotland:** Madam Chair, just to put this in perspective a little more, the Health Insurance Law itself and the amendments we are referring to in this committee stage debate are only for the standard health insurance contract. Again, it's not for every insured person in the country. So, again, Government only regulates for persons who are going to go on this basic health insurance plan, the standard health insurance contract, which only goes up to \$100,000 of hospitalisation.

In any case, when we speak about persons who are deemed high risk and uninsurable, in most cases their healthcare far exceeds that value. So, the issue that he is referring to about government and so on, that has been referred to by Members in terms of the cost falling on government, is one that we have been faced with for a long time. That is what the

Premier is referring to as well. But the amendments here don't do very much to affect that in any way more, except that in general for the general population it takes more. And for those persons who are not going to be deemed high risk or uninsurable in this instance removes much more of the risk from those persons falling in the care of government and thus saving government some funds in the long run for persons in the general population.

**Mr. D. Ezzard Miller:** Madam Chair?

**The Chairman:** Yes, Member for North Side.

**Mr. D. Ezzard Miller:** If "high risk persons" is not defined in the Law, and if "uninsurable persons" is not defined in the Law, the insurance companies cannot use it to eliminate people from any plan that they sell in this country at all. The only way they can eliminate people from group or individual insurance is because they are allowed to use these two definitions. I am not talking about the standard plan alone. It is not only the standard plan from which they reject people and dump them on government, it is for companies in the financial industry, companies like CUC, companies like Cable & Wireless where they take the good and throw the bad on government.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Madam Chair, in group health insurance, medicals are never usually allowed. The truth of the matter is that no health insurance company in the Cayman Islands sells group insurance. They go to these companies with individual plans that they are prepared to discount on volume, because if it were true group insurance the risk is spread and there is no need to identify anybody as high risk. How do they know somebody is high risk if they don't have the opportunity to identify them? And in group health insurance that's not allowed.

**Hon. Cline A. Glidden, Jr.:** Madam Chair, just picking up on the point—

**The Chairman:** Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr.:** —because I know that some of my colleagues across the aisle have said that they have thought through the process and I just wanted to make sure. So, what they are suggesting is that there should be no one deemed uninsurable. So if we have someone who has been diagnosed with cancer and has a year to live, that they should be able to walk into an insurance company and the insurance company should have to insure them at the given rates. Is that what is proposed?

**Hon. D. Kurt Tibbetts:** Madam Chair, if I might.

No, no. That is not what I am suggesting. But I noticed the Third Elected Member for West Bay mentioned about having thought through this. Let me go a little bit further to his thought, because I understand what he's saying. But, let's carry it right through to the bitter end.

That same individual, hypothetically speaking though we are, that you are talking about, when that person lands on government's doorstep what happens? You turn him or her back?

**Hon. J. Mark P. Scotland:** But, Mr. Tibbetts—

**Hon. D. Kurt Tibbetts:** Forgive me.  
All right. Yes, it's okay.

**Hon. J. Mark P. Scotland:** Just a thought of what you are saying.

**Hon. D. Kurt Tibbetts:** I hear you.

**Hon. J. Mark P. Scotland:** So you said . . . because he asked a question if they should get insurance—

**Hon. D. Kurt Tibbetts:** But I am not finished answering him yet you know—

**Hon. J. Mark P. Scotland:** —at the given rate and you were going—

**Hon. D. Kurt Tibbetts:** But I haven't finished answering him yet.

**Hon. J. Mark P. Scotland:** Okay.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Let me make it clear, because the truth is, Madam Chair, I believe we are all on the same page with this one, it's just that it's difficult to find a solution that works for everything. But here is my point. I don't expect just to throw it and leave it up in the air and then put an untenable circumstance which can't be solved. My point is (and I will say it again, following up on your specific hypothetical example) that we know that person is going to land on government's doorstep. The Minister (and I am trying to remember the whole thing) has talked about this segregated fund which is spread throughout, which applies a principle that insurance applies. That means that out of every premium that someone pays when that premium is fixed by the provider they know that is coming out so the insured is paying it. We know all of that.

But the fact that those who get the *bly* (so to speak), that is the providers, those people that they don't want to deal with because it will cost them more, still land on government's doorstep and the government provides for them. No matter how much gov-

ernment will have circumstances where there is a guarantor, when there is a referral, or there is land or whatever that is put up if it can be. If there is no such thing the government still is not going to say, *We are going to leave you to perish.*

So, I am saying . . . I am not trying to take over what amendments were brought. What I am saying to you is that there has to be a way for us to find that they simply cannot just draw the line, given all that has been said by the Minister. That when they draw the line and say, *Listen that's something that we don't touch*, that government simply picks it up. Segregated insurance fund only causes a certain amount of that to be recouped via premiums, and all the insured parties pay for that.

I am saying to you that we really need to look at some other mechanism, not other, additional mechanism, and find some way to deal with those insurance companies to say, *Listen, we have to find . . .* I don't mean to go on, but I have always contended that while they compete with each other, they compete with each other very nicely, because everybody's left hand knows what they right hand is doing. Then they all agree on something that they can all agree to so that the Government can't come and pick them off. And no one can tell me that's not how it works.

**Hon. Cline A. Glidden, Jr.:** Very similar to what—

**Hon. D. Kurt Tibbetts:** Right.

And I have friends in the industry who may not like me anymore, but it's not the first time I've said it to them. The truth of the matter is that those are either individually owned companies or parts of conglomerates and the citizens of this country, the same ones who the Leader of the Opposition and the Premier talk about can't pay CUC, can't do this and can't do that, and they are still walking away with more money than they should get. So having said all of that, I say we need to sit down somehow and get a mechanism.

Let's say they don't want to handle these people. Nobody has to tell me, but I would venture today (I don't have the latest figures), and the Government will know this better than I, but when you include the civil service dependents, indigents, seamen and veterans, it could easily cost the coffers of this country \$80 million a year. That's—

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Yes!

Well, I didn't know, because I don't have the up to date, but I am using that as a conservative figure.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Listen to me. I just heard the Minister say that's not private insurance. I know that!

My point is that the same people that they won't deal with are part of that pool that we pay for. That's my point. So don't bring to me about not private insurance. I understand all that.

That's okay. But what I am saying is that nobody has to say that to me.

I am saying that since all of this is the case and it all falls back on Government, there must be some way that we can find to sit with these people and say, Listen guys, we understand what is happening. But, we have to find a way whereby the Government doesn't pick up this whole tab all the time, as this case is, and also that you simply can't re-jig your rates to pass it on to the insured clientele who pay the premiums all the time. That's where the problem is, and I am pretty sure that's the point that the Member for North Side is making.

**Hon. Cline A. Glidden, Jr.:** So, Mr. Tibbetts, if I could . . . well—

**The Chairman:** Yes, Member for West Bay.

**Hon. Cline A. Glidden, Jr.:** If we look at the \$80 million versus—

**Hon. D. Kurt Tibbetts:** Or whatever it is.

**Hon. Cline A. Glidden, Jr.:** Whatever that number is.

**Hon. D. Kurt Tibbetts:** The Minister said it's more than that. Round it off at [\$]100 [million], that's okay too.

**Hon. Cline A. Glidden, Jr.:** No, no—

**Hon. D. Kurt Tibbetts:** It's easier to work with those figures.

**Hon. Cline A. Glidden, Jr.:** But it wasn't that number, the number that we should be concerned about is the amount of that that is due to uninsurable—

**Hon. D. Kurt Tibbetts:** Or those who can't pay.

**Hon. Cline A. Glidden, Jr.:** Or those who can't pay.

**Hon. D. Kurt Tibbetts:** And I will bet you that that's a big chunk out of it.

**Hon. Cline A. Glidden, Jr.:** So, the process, how it works now, as we say, for those people that are paying, they all contribute a portion.

**Hon. D. Kurt Tibbetts:** That's right.

**Hon. Cline A. Glidden, Jr.:** The \$5 to \$10, that comes to being \$4 million, or it is going to come to approximately—

**Hon. D. Kurt Tibbetts:** Two and a half to four . . . or four. Yes. Okay.

**Hon. Cline A. Glidden, Jr.:** Four million dollars. Okay?

So the difference being, like you said, when the person goes to the insurer's doorstep, they have a terminal disease and they go and they are going to be deemed uninsurable. The point you made was that they are going to fall on government's doorstep.

**Hon. D. Kurt Tibbetts:** But you do accept that those terminally ill people that you talk about are a very limited in number.

**Hon. Cline A. Glidden, Jr.:** Fine.

**Hon. D. Kurt Tibbetts:** The majority of them are simply what they consider pre-existing conditions who live out a pretty good normal life.

**Hon. Cline A. Glidden, Jr.:** But again, based on the proposal that was made . . . I'm just saying. If you say that there is nothing, even though those small, those minimal amounts . . . if you are saying that there is no such thing as an uninsurable person, those people would have to be insured as well.

**Hon. D. Kurt Tibbetts:** But I am not suggesting that there is no such thing as an uninsurable person. And I am not suggesting . . . I hear what the Minister has said.

**Hon. Cline A. Glidden, Jr.:** Okay.

**Hon. D. Kurt Tibbetts:** Let me finish please.

**Hon. Cline A. Glidden, Jr.:** Sure.

**Hon. D. Kurt Tibbetts:** The Minister is speaking that there will be a more stringent system, which doesn't allow the insurance companies to just play around, and once it looks a little ticklish to them they just classify them as they please so they don't have to deal with them just in case they do get sick, even though chances are they might not. But they talk about these pre-existing conditions which they come to CINICO for.

And the extreme cases that you speak about, I am not trying to be extreme in my point by saying that if somebody like that comes into the insurance company they must say, *Yes, we are going to insure you and give you a ceiling of \$1 million payout or \$2 million payout and we are going to charge you the same premium.* I don't think that's what the Minister is . . . I mean the Member for North Side is trying to say either.

All we are saying is that what is being proposed, as I understand it, goes a good way to assist—

ing the situation. But I am saying to you that I don't think it gets to the point where we should be satisfied.

**Hon. Cline A. Glidden, Jr.:** So the point I was saying, agreeing and the Minister made his justification as to why he can't accept the amendments as they stand now, which simply say to remove those definitions, because, like you have just agreed, there are going to be the cases—extreme, though, they may be—that you are going to need to have that definition to allow those people to be—

**Hon. D. Kurt Tibbetts:** I am not saying that. I am saying you can . . . I am not saying . . . I know you well, you know. And I am not saying that. That's not what I am saying.

I am saying that in actual terms you may have people who you can't expect the insurance company to just insure.

**Hon. Cline A. Glidden, Jr.:** Fine. Okay.

**Hon. D. Kurt Tibbetts:** But it does not mean that you must leave those terminologies in there the way they are. You may need to find some other way.

**Hon. Cline A. Glidden, Jr.:** So the suggestion—

**Hon. J. Mark P. Scotland:** [inaudible] Agree now? That's what we are saying, that you can't—

**Hon. D. Kurt Tibbetts:** But what is being proposed is not enough, is what—

**Hon. Cline A. Glidden, Jr.:** But it would be enough if the Minister said to you that based on those that are deemed uninsurable and indigents were \$4 million, because you would have said that it is going to be the amount of those people that are insured divided by the policies that you have and the \$10 million [*sic*] per person.

**Hon. D. Kurt Tibbetts:** It doesn't end with indigents you know.

**Hon. Cline A. Glidden, Jr.:** Okay.

**Hon. D. Kurt Tibbetts:** Listen to me now. You have those other pre-existing condition people—

**Hon. Cline A. Glidden, Jr.:** Fine.

**Hon. D. Kurt Tibbetts:** —who have to go to CINICO too, because they have been deemed—

**Hon. Cline A. Glidden, Jr.:** Uninsurable.

**Hon. D. Kurt Tibbetts:** —uninsurable.

**Hon. Cline A. Glidden, Jr.:** Right. So if the Minister says to you—

**Hon. D. Kurt Tibbetts:** Let me finish.

**Hon. Cline A. Glidden, Jr.:** Okay.

**Hon. D. Kurt Tibbetts:** Those are not indigents. But if they are . . . maybe I need to make the Minister explain this to me. The premiums that they pay, are they the regular premiums that other people pay at CINICO?

**Hon. Cline A. Glidden, Jr.:** So, Minister, if I could just say, picking up on a suggestion; covering your criteria, you said if the Minister could tell you that the uninsurable and the indigent equated to—and in this case I am just using \$4 million; I am not suggesting that that's the number. Because they have to be insured by CINICO, we should know what that number is and the information. If we find that number, the idea is simply that you are going to divide the amount of policy holders you have from the other insurance that insures to pay that amount into the fund. All right? Because, ultimately what you are saying now, government is—

**Hon. D. Kurt Tibbetts:** Not the insured, the insurers, the providers.

**Hon. Cline A. Glidden, Jr.:** And the providers are going to simply take that on—

**Hon. D. Kurt Tibbetts:** Put ceiling on them that they don't figure it all out . . . listen to me man. They are making more money than they should be making and passing it on to everybody who paid premiums. And if they don't like it they know where I am.

Madam Chair, I'm finished.

**Mr. Dwayne S. Seymour:** Madam Chair.

**The Chairman:** Yes, Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour, Third Elected Member for Bodden Town:** Thank you.

My question to the Minister is, or my suggestion . . . I guess the question to ask really is, are we further ahead with this amendment? And the answer has to be yes. It is better than what we had. And I am saying, as the Minister so eloquently explained earlier, that this is only about one policy, the SHIC [Standard Health Insurance Contract] policy. And I understand and I take . . . I was also on the Health Insurance Commission for a couple of years, so I understand what Mr. Tibbetts is also saying, and I appreciate it. But I am saying that it's probably for another discussion to have a holistic approach on the whole health

insurance in these same realms that we are talking about rather than trying to hold up this amendment which I think is 100 per cent better for the people who now own a regular SHIC plan.

So, I am suggesting that it's better that we move forward with this and what I know about because I was one of the ones who helped draft this from many years ago when they were trying to draft this. So, my suggestion is to move forward with this. Even the cap in itself which was originally \$25,000 now has gone up to \$100,000. So that's my suggestion.

**Hon. D. Kurt Tibbetts:** Madam Chair, I will really end with this one, and as my learned friend from Bodden Town just said, and I understand everything he is saying, but my point is, taking the approach that I am hearing is telling a drowning man, I have a life raft for you. You are 300 feet from the shore; I am going to give you a life raft. But when you get 100 feet from the shore I am going to take it back from you so you can still drown; it'll just be a little bit longer before you drown.

**Hon. J. Mark P. Scotland:** Madam Chair, I don't think that was a good analogy at all, because that would mean everybody would be drowned already because the raft they are on would have been far short of shore. So, what we are doing is giving you a raft to help you get to the shore, Madam Chair. You mightn't be getting there as fast as you'd like to get there, but you are going to get to the shore. So that was a bad analogy that he used.

**Hon. D. Kurt Tibbetts:** That's your opinion.

**Hon. J. Mark P. Scotland:** No. Well you . . . because what we are saying now is we have

*[inaudible interjection]*

**Hon. J. Mark P. Scotland:** No, because we are saying we have a law for the past 14 years. If it were so bad we would have all drowned already. That's the point. So . . . anyway, Madam Chair, the Member speaks about the amendments we are making. And I keep repeating again that the current law allows for insurers to cherry pick and to deem high risk and uninsurable a lot easier. There are persons, and I think he started to agree to that by the time he finished his contribution, that there are persons who are going to be uninsurable. Again, Madam Chair, what we are saying is the criteria that we have now makes it much more difficult to do that. It also applied ranges in which the insurers can apply to increase the premium rates by, so there are some requirements there and some criteria as well that those premiums that they charge these persons can't exceed certain amounts for those persons.

Again, I keep repeating that this only applies to the SHIC plan. Most persons who fall into the range of being high risk or uninsurable, their healthcare is going to cost much more than that and they are going to fall into the care of government in any case. And if we went the way the Member for North Side and the First Elected Member for George Town are referring to, the question is always going to come down as to who pays.

We can talk about Obamacare, again, the taxpayers pay the difference for those persons. If we talk about insurers passing it on, it's going to pass on to whom? The persons who pay for private insurance and those are taxpayers. If it falls on government, that's on taxpayers again. So, we can talk about a mechanism to deal with it, but at the end of the day, a mechanism has to be paid for.

**The Chairman:** Does any other Member wish to speak on this?

The question is that the proposed amendment to clause 2 of the Bill which is currently before the Committee, stand part of the clause.

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

**Ayes and Noes.**

**Mr. D. Ezzard Miller:** Can I have a division, Madam Chair?

**The Clerk:**

**Division No: 6**

**Ayes: 5**

Hon. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller  
Mr. Anthony S. Eden

**Noes: 7**

Hon. W. McKeeva Bush  
Hon. Michael T. Adam  
Hon. J. M. P. Scotland  
Hon. C. A. Glidden, Jr.  
Capt. A. E. Ebanks  
Mr. Ellio A. Solomon  
Mr. D. S. Seymour

**Absent: 3**

Hon. Juliana Y. O'Connor-Connolly  
Hon. Rolston M. Anglin  
Hon. Alden M. McLaughlin

**The Chairman:** The result of the division is 5 Ayes; 7 Noes; 3 absent. The amendment as proposed has failed.

**Failed on Division: Proposed amendment to clause 2 negatived.**

**The Chairman:** The question now is that clause 2 stand part of the Bill. All those in favour please say Aye.

**Hon. J. Mark P. Scotland:** Madam Chair, can I propose that we defer the completion of the committee on this Bill until the next sitting?

**The Chairman:** We haven't voted on clause 2. We voted on his amendment to clause 2, but we didn't vote on the clause itself.

**Mr. V. Arden McLean:** But, Madam Chair, you just called for a vote on clause 2. It was amended. I do apologise, but he moved an amendment to clause 2, so it has to be as it was amended.

**The Chairman:** But he is now asking that we don't vote on the clause.

**Hon. J. Mark P. Scotland:** We didn't vote on the clause.

**The Chairman:** We didn't vote on the clause as amended. He is asking that we do not vote on that clause today, that we postpone this until the next sitting.

**Mr. V. Arden McLean:** But, Madam Chair, I am sorry, but you can't do that when you are in committee. Committee has to be completed. You can refuse to take it to committee, but when you are in committee it has to be completed.

**Some Hon. Members:** No!

**The Premier, Hon. W. McKeever Bush:** Where is this argument coming up? Madam Chair, let not these people bother and carry on this way.

We can defer it until tomorrow if we want to. We are the Assembly! We are in committee stage.

**The Chairman:** In section—

**Hon. J. Mark P. Scotland:** Madam Chair, Standing Order 51(4).

**The Chairman:** Standing Order 51 (4), "**(4) The consideration of a clause may be postponed on motion being made, unless the clause has been amended.**" The clause has not gone through the amending process.

**The Premier, Hon. W. McKeever Bush:** Tomorrow is a sitting.

**The Chairman:** The question before the committee is that the committee stage of this be postponed until the next sitting, which is tomorrow.

**Hon. J. Mark P. Scotland:** I said sitting.

**The Chairman:** All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it. The committee stage of this Bill will be postponed until tomorrow or the next sitting.

**Agreed: Committee stage of the Health Insurance (Amendment) Bill postponed to next sitting of the House.**

#### **Maritime Authority (Amendment) Bill 2012**

**The Clerk:** The Maritime Authority (Amendment) Bill 2012.

Clause 1	Short title
Clause 2	Amendment of section 20—immunity and indemnity
Clause 3	Amendment of the First Schedule—appointment and Constitution of Board
Clause 4	Amendment of the Second Schedule—transitional provisions

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 4 passed.**

**The Clerk:** A Bill for a Law to amend the Maritime Authority Law (2008 Revision) to provide for variations in the periods of appointment of board members; for the indemnity of the secretary to the board and other such officers; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Tourist Accommodation (Taxation) (Amendment) Bill, 2012**

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

Clause 1	Short title
Clause 2	Amendment of section 3 of the Tourist Accommodation (Taxation) Law (2003



Revision)—taxation of tourist accommodation

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Tourist Accommodation (Taxation) Law (2003 revision) to increase the accommodation tax.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

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

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

Clause 1	Short title
Clause 2	Repeal and substitution of section 4 of the Travel (Departure Tax and Environmental Protection Fee) Law (2003 Revision) - duty of agents

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to Amend the Travel (Departure Tax and Environmental Protection Fee) Law (2003 Revision) to increase the departure tax; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to House.**

**House resumed at 4.12 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## REPORTS ON BILLS

### Animals (Amendment) Bill, 2012

**The Speaker:** Honourable Premier.

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

I have to report that the Animals (Amendment) Bill, 2012, was taken through committee stages without amendment.

**The Speaker:** The Bill has been reported and is set down for Third Reading.

### Maritime Authority (Amendment) Bill 2012

**The Speaker:** Honourable Premier.

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

I have to report that the Maritime Authority (Amendment) Bill, 2012, was taken through a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been reported and is set down for third reading.

### Tourist Accommodation (Taxation) (Amendment) Bill, 2012

**The Speaker:** Honourable Premier.

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

I have to report that the Tourist Accommodation (Taxation) (Amendment) Bill, 2012, was taken through a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been reported and is set down for third reading.

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

**The Speaker:** Honourable Premier.

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

I have to report that the Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012, was taken through a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been reported and is set down for third reading.

### THIRD READINGS

**Animals (Amendment) Bill, 2012**

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

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that the Animals (Amendment) Bill, 2012, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the Animals (Amendment) Bill, 2012, be given a third reading and passed.

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 third reading and passed.**

**Maritime Authority (Amendment) Bill 2012**

**The Clerk:** The Maritime Authority (Amendment) Bill, 2012.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker, I beg to move that the Maritime Au-

thority (Amendment) Bill, 2012, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the Maritime Authority (Amendment) Bill, 2012, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Maritime Authority (Amendment) Bill, 2012, given a third reading and passed.**

**Tourist Accommodation (Taxation) (Amendment) Bill, 2012**

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

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that the Tourist Accommodation (Taxation) (Amendment) Bill, 2012, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the Tourist Accommodation (Taxation) (Amendment) Bill, 2012, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Tourist Accommodation (Taxation) (Amendment) Bill, 2012, given a third reading and passed.**

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

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

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that the Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the Travel (Departure Tax and Environmental

Protection Fee) (Amendment) Bill, 2012, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Travel (Departure Tax and Environmental Protection Fee) (Amendment) Bill, 2012, given a third reading and passed.**

**The Speaker:** Honourable Premier.

## **ADJOURNMENT**

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

We are going to ask that the House be adjourned at this time. So, I move the adjournment of this honourable House until 10.00 am tomorrow.

Madam Speaker, out of an abundance of caution, I better say that the matters that were not dealt with on the Order Paper today will go on to the Order Paper tomorrow.

**The Speaker:** Thank you, Honourable Premier.

The question is that this honourable House do adjourn until 10.00 tomorrow morning.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 4.20 pm the House stood adjourned until 10.00 am, Friday, 16 November 2012.**

