



PARLIAMENT
OF THE CAYMAN ISLANDS



PARLIAMENTARY QUESTION NO. 29

Answered on 1 October 2026

Second Meeting 2026-2027 Session – Second Sitting

**PARLIAMENTARY QUESTION
ASKED BY**

**HON. KENNETH V. BRYAN
DEPUTY LEADER OF THE OPPOSITION, ELECTED MEMBER FOR THE
CONSTITUENCY OF GEORGE TOWN CENTRAL**

TO

**HON. ROLSTON ANGLIN
MINISTER OF FINANCE & ECONOMIC DEVELOPMENT**

QUESTION:

Can the Honourable Minister state the current financial status and operational readiness of the Cayman Islands Government's disaster recovery funding mechanisms, specifically:

- (a) Disaster Fund Balance: what is the current uncommitted balance of the Disaster Fund established under Section 4A of the Disaster Preparedness and Hazard Management Act (2019 Revision), and has the mandatory annual allocation of at least \$400,000 been maintained consistently;
- (b) PMFA Emergency Powers: under Section 13 of the Public Management and Finance Act (2026 Revision), what is the maximum available headroom in core discretionary reserves that Cabinet can deploy immediately for major post-disaster reconstruction prior to formal Parliamentary approval; and
- (c) Parametric Policy Pay-out Limits: what is the coverage level and maximum pay out capacity secured for the current fiscal year under the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC) to bridge the gap between initial preparedness and major recovery?

ANSWER:

Current Financial Status

Mister Speaker, at 31 August 2026, the pertinent financial information with respect to the Cayman Islands Government is as follows:

- a) There was an Operating Surplus of \$175.3 million for the 8-month period ended 31 August 2026. The comparable Operating Surplus for the 8-month period ended 31 August 2025, was \$144.2 million;
- b) Government's debt balance at 31 August 2026 was \$471.8 million. Mister Speaker, for the 8-month period to 31 August 2026, the Government has not incurred any new borrowings even though the Parliament has authorised the Government to borrow \$124.0 million for the 2026 financial year;
- c) At 31 August 2026, the Government's total bank account balances were \$489.4 million: \$194.0 million of which represent "Restricted and Reserve" balances such as the General Reserves, the National Disaster Fund, the Infrastructure Development Fund, and the Environmental Protection Fund; and \$295.4 million of Government's bank account balances can be captioned as "Operating Bank Account" balances; and
- d) Ministries, Portfolios and Offices have five (5) working days after each month-end to finalise the financial results and position of the Government. Hence, the 1 January to 30 September 2026 results and position of Government will not be finalised until 8 October 2026 and, therefore this answer makes reference to results and position for the 8-month period ended 31 August 2026;
- e) The bank account balances at 31 August 2026 were sufficient to cover 118 days of Operating Expenses beyond 31 August 2026.

Disaster Fund Balance

- a) The uncommitted balance in the National Disaster Fund at 31 August 2026 was \$2.9 million. The annual \$400,000 pay-into the National Disaster Fund has been maintained.

PMFA Emergency Powers

Section 13 of the Public Management and Finance Act (the PMFA) gives Cabinet special financial powers during a declared state of emergency.

In those circumstances, Cabinet may approve expenditure and other financial transactions necessary to respond to the emergency, even where that expenditure has not been approved by Parliament in an Appropriation Act. The expenditure must subsequently be reported and included in a supplementary Appropriation Bill.

Importantly, Mister Speaker, the PMFA does not place a specific dollar limit on the amount that Cabinet may approve under these emergency powers.

However, in determining how much can be spent, the Government must consider its need to remain in compliance with the requirements of the Framework for Fiscal Responsibility (the FFR). The amount which Government would spend in state of emergency situation is dependent upon whether it wishes to remain in compliance with the FFR at all times or, whether it is willing incur expenditure at a higher level and have a period of non-compliance with the FFR – with the establishment of plan to regain compliance with the FFR within a three-year period.

Therefore, Mister Speaker it is not possible to give a singular absolute level of expenditure that would be incurred in a state of emergency situation: the level of expenditure would be the result of a discussion by Cabinet.

Parametric Policy Pay-out Limits

Mister Speaker, the Government has two (2) policies with the Caribbean Catastrophe Risk Insurance Facility (CCRIF): one for Tropical Cyclones (i.e. hurricanes), and one for Earthquake incidents.

The policies are in respect of the year from 1 June 2026 to 31 May 2027.

The “coverage level” is the maximum pay-out the Cayman Islands Government – as a policy holder – can receive from each of the two policies it has with the CCRIF.

For the 2026-2027 policy year, the Government’s “coverage levels” are:

- a) in respect of the Tropical Cyclone (i.e. hurricane) policy, an amount of US\$22.8 million; and
- b) in respect of the Earthquake policy, an amount of US\$5.4 million.

Mister Speaker, pay-outs under parametric insurance policies are not based on a physical damage assessment but rather the pay-outs are based on losses arising from scientifically modelled calculations of the likely damage that would be caused by certain measured conditions – for example, windspeed for the Tropical Cyclone policy.

“Attachment point” is the technical term used to denote the loss level at which a CCRIF policy starts to pay-out.

The “attachment points” for Government’s 2026/2027 policy year are:

- a) in respect of the Tropical Cyclone (i.e. hurricane) policy, an amount of US \$8.7 million; and
- b) in respect of the Earthquake policy, an amount of US \$1.1 million.

The maximum damage per the CCRIF policies – referred to as “Exhaustion Points” – are:

- a) US\$168.5 million for the Tropical Cyclone policy; and
- b) US\$23.6 million for the Earthquake policy.

Therefore, subtracting the “Attachment Point” values from the “Exhaustion Point” values, give the maximum loss under the ambit of the CCRIF policies: US\$159.8 million for Tropical Cyclone and US\$22.5 million for Earthquake.

The CCRIF then offers policy-holders a choice of different percentage levels of the losses that will be met by CCRIF in the event of a triggering incident: the greater the percentage of loss to be met by CCRIF, the greater the premium level to be paid by the policy-holder.

For the all-important Tropical Cyclone policy, for the 2026-2027 policy year, Government has chosen - from the two (2) options open to it for renewal on this policy - the larger of the two available protection levels.

The premiums paid by Government for its 2026-2027 policies are:

- a) US\$1.55 million for Tropical Cyclone; and
- b) US\$0.1 million for Earthquake.

Finally, in addition to all the preceding, Government has traditional property insurance coverage, and the value of property insured is approximately CI\$175.0 million at a budgeted premium of \$12.3 million for 2026 and \$12.9 million for 2027.

Thank you, Mr Speaker.