

The Cayman Islands Insurance Association (CIIA) would like to notify residents of the Cayman Islands that they should anticipate increases in their property insurance premium rates in 2020.

The Atlantic region has been affected by high hurricane activity in recent years. In 2017 there were 17 storms, the major ones being hurricanes Harvey, Irma and Maria with insured losses of over US\$90 billion. Then 2019 saw the fourth-most active hurricane season on record with hurricane Dorian alone generating insured losses in excess of US\$8 billion across all territories affected by the storm. As a result of this, international reinsurers have increased their coverage costs for the region.

The basic principle of insurance and reinsurance is the pooling of all premiums received to pay for the claims of those that have suffered losses. Although we in the Cayman Islands have been fortunate to avoid any major hurricane losses since Hurricane Ivan in 2004, we fall into the same reinsurance pool bracket in the Caribbean and face similar risks and consequently it is necessary to increase premium rates this year. These increases are likely to be between 10% to 30% dependent on various factors such as type of construction, protections, property location and elevation.

The CIIA appreciates your understanding and if you have any questions please reach out to your local insurance representatives.