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# Reinsurance Conference 1, Hurricane Sandy 0

By Michael L. Frank

The week of Oct. 22 was the first reinsurance conference in the Dominican Republic. The conference was held in Santo Domingo with a focus on educating the insurance community in the Dominican Republic on reinsurance.

The conference kicked off with interviews with the Dominican Republic press, including interviews on two television shows (*Metropolis* and *El Día*) and several radio shows on 95.7, followed by three days of seminars on all facets of the reinsurance industry. Subject matter covered included review of insurance and reinsurance systems internationally with focus on the following areas:

- Overview & History of Reinsurance
- Review of the United States, London, Bermuda, Brazil, China & Other Markets
- Review of Reinsurance Company Structures including Captive Insurance Companies
- Financial Reporting, Reserves & Cash Flow Testing
- Turnkey Solutions Including Underwriting and Claims Management
- Review of Specialty Products & Hybrid Reinsurance Solutions
- Social Media Strategies and New Products in the Reinsurance Market
- Sample Transactions and Case Studies in Life, Health, Annuity and Property/Casualty
- Use of Trusts and Other Creative Finance Solutions
- Discussions of Catastrophe Coverages and Cat Bonds
- Review of Regulations and Opportunities in the Dominican Republic

Presentations were done in multiple languages (English and sometimes Spanish) with translators provided so all attendees could learn and participate in the sessions.

Overall, attendance in the event was significant. Despite Hurricane Sandy's attempt to sabotage the event, close to 100 people attended the conference, including approximately 40 insurance professionals plus a large number of college and high school students studying math, science and business at two of the prominent schools in the

Dominican Republic, i.e., Universidad Iberoamericana (UNIBE) and Grupo Corporativo (GC) New Horizons.

The event was sponsored by a variety of Dominican Republic, U.S. and other international organizations in insurance, banking, education, legal, actuarial and professional associations. Some of the sponsoring organizations, listed in alphabetical order, include:

- ADARS
- ANJE
- Aquarius Capital
- Benedetto Laskay LLC
- El Mundo de las Negocios
- Escuela de Guadados Unibe
- Franco & Acra Tecniseguros
- Fundación Consenso, Renovación y Cambio (CRC)
- GC New Horizons
- Grupo
- Hannover Life Re Company
- Humano ARS
- Langas Abinadar
- LICAS
- Pena Izquierdo
- Presidio
- Society of Actuaries Reinsurance Council
- UNIBE
- University of Michigan
- Vivir Seguros
- WorldCare International Inc.

Many others either contributed content (speakers and material) to the meeting or sponsored events and activities.

The attendees were very engaging, asking a variety of questions with open discussions on the opportunities and need for improvements in the country to grow the reinsurance market. The event hit some speed bumps along the way with Sandy hitting the country and damaging many of the facilities with the staff at UNIBE and GC New Horizons developing creative solutions in order to keep the conference on track.



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Some memorable moments included:

- The first sign of the storm when Don Rusconi (Aquarius Capital) was presenting while the walls of UNIBE started to shake and move.
- The power going out and sounds of broken glass (windows breaking) during one of the event luncheons.
- Individuals on motorboats and water skis driving through the middle of town.
- Fifty-foot-high waves hitting the shoreline and highways while we were driving to the airport (only to land in New York to have Sandy catch up with us two days later)
- Juggling of schedules to manage the challenges of speakers traveling internationally to the conference and their ability/inability to make the conference during their scheduled time slots.
- Flooding into the Hotel Embajador (some may remember this hotel from the scenes in the *Godfather Part II* in Cuba—actually filmed in the Dominican Republic) while a large number of hotel staff worked feverishly trying get the water out of the hotel during Fashion Week. It was interesting to see Fashion Week and Reinsurance Conference occurring simultaneously with a unique blend of insurance professionals and supermodels.

The numbers of memorable moments were too many to count. However, despite the obstacles, the event was successful. There appears to be a significant interest to grow the reinsurance economy in the Dominican Republic. The blend of tourism and commerce makes the Dominican Republic a potential attractive market, though it needs to develop the infrastructure to be a true insurance economy and is not without obstacles and challenges. As an example, certain insurance products (e.g., life insurance) have a high premium tax to consumers.

In addition, improving professional insurance education in the Dominican Republic through exporting expertise and training becomes essential, while promoting organic growth of insurance professionals. The expansion of licensing and continuing education

programs for insurance brokers, claims adjusters, actuaries, underwriters and other insurance professionals through partnerships and universities could be a good starting point.

Furthermore, the feedback of attendees highlighted the need for operational and regulatory changes to encourage compliance of insurance organizations and encourage the marketing/consumption of insurance products. This may include formations of organizations such as Association of Bermuda Insurers and Reinsurers (ABIR) and the National Association of Insurance Commissioners (NAIC), for example, to deal with establishing of public policy and guidelines while working with the local insurance regulators and insurance companies to establish policies and market conduct. At minimum, a first step could be the establishing of work groups within the country and volunteers from outside the Dominican Republic to focus in this area.

## SPECIAL ACKNOWLEDGMENTS

In addition to the sponsors, we offer a special thank you to the staff of UNIBE and GC New Horizons for hosting the event and helping manage the chaos resulting from Sandy. I would also like to thank Fauntly Garrido (GC New Horizons), Luis González (CRC) and Jose Flores (LICAS) and their teams for making the conference a success, both in content and safety, and hosting presenters and providing a tour of Santo Domingo. I am looking forward to the next conference, though hopefully the event will be a little less memorable. ■