

**STRATEGIC PLAN
2019 TO 2024**

VISION 2024

**OPENING DOORS
TO WELLNESS
FOR OUR MEMBERS**



CAYMAN ISLANDS

CINICO

NATIONAL INSURANCE COMPANY

CONTENTS

- 3 LIST OF ACRONYMS AND ABBREVIATIONS**
- 4 FOREWORD BY THE BOARD CHAIRPERSON**
- 5 ORGANIZATIONAL OVERVIEW**
- 10 OUR MISSION, VISION AND VALUES**
- 12 OUR STRATEGIC OBJECTIVES**
- 13 ENSURE CINICO'S LONG TERM SUSTAINABILITY**
- 14 How we will achieve this objective
- 15 How we will assess our progress
- 16 DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE
ENABLED BY STRONG STAKEHOLDER RELATIONS**
- 16 How we will achieve this objective
- 17 How we will assess our progress
- 18 STRENGTHEN OUR STRATEGIC AND OPERATIONAL
FOUNDATION FOR DELIVERY**
- 19 How we will achieve this objective
- 19 How we will assess our progress

List of Acronyms and Abbreviations

ACRONYM	DESCRIPTION
ASO	Administrative Services Only
CDO	Chief Dental Officer
CICSA	Cayman Islands Civil Service Association
CIG	Cayman Islands Government
CIHSA	Cayman Islands Health Services Authority
CIMA	Cayman Islands Monetary Authority
CINICO	Cayman Islands National Insurance Company (Ltd.)
CMO	Chief Medical Officer
DCFS	Department of Children & Family Services
HCCI	Health City Cayman Islands
HSA	(Cayman Islands) Health Services Authority
MCC	Medical Case Coordinator
MCMU	Medical Case Management Unit
MCR	Minimum Capital Requirement
MOH	Ministry of Health
MOF	Ministry of Finance
PCR	Prescribed Capital Requirement
SAGCs	Statutory Authorities & Government Companies
SHIC	Standard Health Insurance Contract
SPD	Summary Plan Document
TPAs	Third Party Administrators



Foreword by the Board Chairperson



On behalf of the Board of Directors,
I am pleased to present this
strategic plan for the period
2019 to 2024.

The plan's title, **Vision 2024: Opening Doors to Wellness for Our Members**, reflects an overarching strategic theme that our organization's Board of Directors, the management team and our employees see as being at the centerpiece of the strategic objectives and initiatives that we have determined will be undertaken in the next five years. This strategic theme reflects a collective focus on the wellness of our members, guided by innovative, cost-effective and collaborative approaches that open doors to wellness for our members through all stages of their lives.

The agenda for change presented in this plan was developed through a process that engaged our Board of Directors, members, stakeholders, and staff to arrive at a consensus on an updated CINICO Management team mission and vision, revised value statements, a delivery model that provides a one page picture of our business, and the following three strategic objectives, each of which will be delivered through a set of practical and attainable initiatives over the next five years:

- **Ensure CINICO's long-term sustainability;**
- **Deliver an exceptional customer experience enabled by strong stakeholder relations; and**
- **Strengthen our strategic and operational foundation for delivery.**

The Board looks forward to working with our employees, stakeholders and members to deliver on these objectives, and the initiatives tied to these objectives, and to report on our achievements and what we have learned through our Annual Reports.



Patricia Estwick

*Chairperson of the Board of Directors
Cayman Islands National Insurance Company
June 5, 2019*



Organizational Overview

CINICO STRUCTURE AND FUNCTIONS

Cayman Islands National Insurance Company (CINICO) is a government-owned insurance company formed to provide health insurance coverage to civil servants (employees and pensioners) and other residents of the Cayman Islands (CI).

Incorporated by the Cayman Islands Government (CIG) on December 18, 2003 and granted a Class “A” Insurance License on February 1, 2004, CINICO is a wholly owned subsidiary of the CIG.

CINICO provides the CIG with a governance framework (with its own Board of Directors and committees of the Board), management team, and service providers who are experienced in managing the risks related to health insurance plans. As a separate insurance underwriting business, the Company is regulated by the Cayman Islands Monetary Authority (“CIMA”), the Health Insurance Commission, audited by internal Government auditors, the Office of the Auditor General (OAG) and an external auditor.

As a Class “A” Insurance Company, CINICO is required by CIMA to maintain a minimum capital requirement (“MCR”) and prescribed capital requirement (“PCR”), in accordance with “The Insurance (Capital and Solvency) Class A Insurers Regulations, 2012”.

CINICO’s insurance policies are structured such that the primary network provider is the Cayman Islands Health Services Authority (CIHSA or HSA). If a member of CINICO is in need of medical care (or dental care for those plans that offer dental coverage), the member goes to CIHSA for treatment. If the medical practitioner (or dental practitioner) has determined that services are unavailable at the CIHSA, then approval for treatment by the CINICO complimentary network is sought by the attending practitioner. Medical treatment by other local or overseas health providers is approved by the Chief Medical Officer (CMO) and, similarly, dental treatment is approved by the Chief Dental Officer (CDO). The CINICO complementary network includes other Cayman Islands medical/dental providers, as well as medical providers in over 130 countries, which are accessed through CINICO’s overseas care management consultant, who works closely with the overseas coordinator at CIHSA.

The largest area of CINICO programming is health insurance coverage for civil servants and pensioners, and their designated dependents. CIG is financially responsible for 100% of the associated costs of most services, and funds this coverage through monthly premium payments to CINICO.

Individuals covered by the Indigent Plan (those individuals without health insurance and who suffer

catastrophic illness or injury, or whose medical coverage does not adequately cover a catastrophic illness or injury, or individuals who have been deemed financially indigent by the Government and therefore entitled to support) receive similar health benefits to civil servants, and the Ministry of Health (MOH) provides funding for the associated costs.

Seafarers and Veterans, as well as their dependents, receive the same coverage as civil servants, except that they are required to pay 10% of the cost of all overseas medical services.

The Standard Health Insurance Contract (SHIC) is another insurance plan available to all residents of the Cayman Islands. Members on this plan pay for their coverage through monthly premiums, and the coverage is limited to benefits mandated in the Health Insurance Law.

STAKEHOLDERS

Our key stakeholders are diverse and include:

- Cayman Islands Government
- Cayman Islands Seafarers Association (CISA)
- Cayman Islands Health Services Authority (CIHSA)
- Cayman Islands Civil Service Association (CICSA)
- Chief Dental Officer (CDO)
- Chief Medical Officer (CMO)
- Department of Child & Family Services (DCFS)
- Health City Cayman Islands (HCCI)
- Ministry of Finance and Economic Development
- Ministry of Health (MOH)
- Office of the Auditor General (OAG)
- Oliver Wyman (Health Actuarial Practice)
- Portfolio of the Civil Service (POCS)
- Public Service Pensions Board (PSPB)

CINICO DELIVERY MODEL

The “delivery model” presented in our strategic plan is comprised of the following elements:

- **Inputs** represent the resources and outputs from other parties that are consumed by our activities;
- **Activities** describe collections of actions and services which we deliver under our mandate;
- **Outputs** are the products generated by our activities;
- **Direct outcomes** are the first level of outcomes or impacts– those over which we have the most direct influence with our outputs;
- **Intermediate outcomes** comprise the second level of outcomes – those over which we have less influence with our outputs and where the influence may be shared with our stakeholders; and
- **Ultimate outcomes** are the highest level outcomes that can be attributed to our outputs and are subject to many influences beyond those of CINICO.

Through its delivery model, CINICO offers health insurance products in the following categories:

Group 30100

Provides health care coverage for the entire Civil Service and their dependents, as well as retirees. In addition, a number of Statutory Authorities and Government Companies also subscribe to this plan.

Group 30101

This health plan is administered on behalf of the MOF and the MOH, and provides health insurance coverage for Seafarers, Veterans and their respective dependents. Eligibility for this plan is determined by Veterans and Seafarers Society of Cayman Brac & Little Cayman and the Cayman Islands Veterans As-

sociation, with the MOF as the Ministry responsible for granting coverage.

Group 31304

The Health Insurance Law (Revision 2013) mandates that all Class 'A' Health Insurers provide, as a minimum, the Standard Health Insurance Contract (SHIC) to all residents of the Cayman Islands. CINICO offers subscription to its SHIC plans year round.

There are two categories of SHIC Plans:

SHIC Plan - Silver Group 31304

Available to residents 60 years of age or over and is limited to individual coverage only.

SHIC Plan - Affordable Group 31304

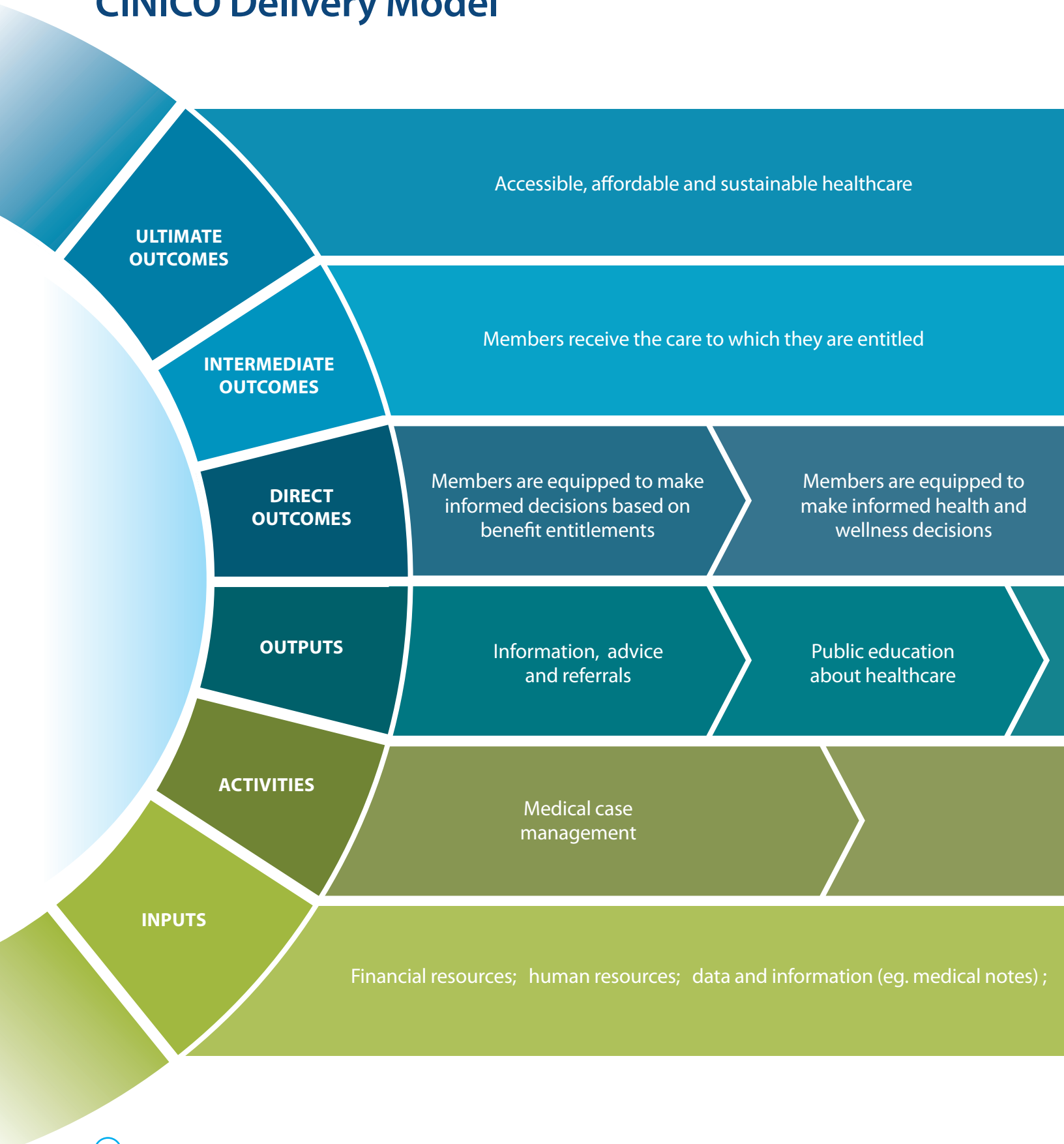
Available to any resident between 18 and 59 years of age as an individual, couple or family subscription. Children under the age of 18 can be added to individual or family coverage. Children over the age of 18 and under 30 years of age can also be added to a policy as a "dependent offspring", subject to the Health Insurance Law.

On behalf of the CIG, CINICO also provides the administration of health benefits for those deemed indigent through an Administrative Services Only (ASO) arrangement. The ASO arrangement is also provided for Seafarers and Veterans who receive overseas medical care.

CINICO has a Medical Case Management Unit (MCMU) responsible for case management of all CINICO members seeking medical services locally and overseas, ensuring that members are receiving appropriate and timely care, with suitable follow-up periods when necessary.



CINICO Delivery Model







CINICO Operating Environment

While CINICO has been operating since 2004 and fulfilling its role provided by the CIG, it faces some significant challenges now and into the future.

An ageing population will mean that more dependents will require chronic or lifestyle care, leading to increases in the cost of health care. We view this as a threat to CINICO's sustainability and its ability to effectively manage care and costs. This is especially important given the member profile that CINICO supports. Related to this issue are the costs associated with the coverage of new treatments and changing health approaches that are being introduced into the health care landscape. Another challenge is the presence of new and emerging health threats for which treatment approaches will likely be expensive.

A key need is to restore public trust in CINICO's accountability, management and decision-making, following a year in which the Chief Executive Officer (CEO) was relieved of his duties. This has placed great pressure on our Management team, who have worked diligently to make up for the CEO vacancy, and who have worked with our staff to ensure that morale is not negatively impacted.

Another key need is to ensure that the referral process for members needing treatment outside of the HSA is not too lengthy. One aspect which must be addressed, is the effective coordination of services for members requiring additional medical travel overseas.

Our outreach to stakeholders during the development of the strategic plan confirmed that we should strive to improve our communication and engagement with stakeholder groups, and work to improve the coordination of services between HSA and other service providers. We have heard their concerns and will ensure that CINICO makes improved stakeholder engagement one of our key priorities.

Opportunities identified by stakeholders through the strategic plan development process were helpful. We will ensure that our dedicated case coordinators continue to work in tandem with the CMO at the HSA to ensure that our members receive the most appropriate care possible.

Our Mission, Vision and Values

This strategic plan contains an updated mission statement and revised values statements that represent how we wish to conduct ourselves in delivering on our mission. We have also developed a clear vision for the future.

The CINICO mission statement describes our “why”, which includes the fundamental purpose of our organization and what we provide to our members, and reminds us of the overall goal we have come together to pursue.

Our vision statement expresses what we aspire to accomplish in the mid to long-term.

Finally, our values reflect what is truly important to our Board of Directors, our Management team and our staff, in terms of our attitude, behaviour and character, and how we would like to be seen by our clients and stakeholders.



OUR MISSION

“To provide affordable solutions against health-related risks through sustainable coverage”

OUR VISION

“To open doors to wellness for our members through all stages of their lives”

OUR VALUES

Our core values place the needs of our members first by ensuring that at all times we are:

- **Professional** - We value the contributions of our employees and ensure that they have the tools and knowledge to excel;
- **Accountable** - We take responsibility for our actions and report results in a transparent manner;
- **Compassionate** - We provide comfort and peace of mind in our dealings with others;
- **Collaborative** - We achieve common goals through successful working relationships; and
- **Ethical** - We conduct ourselves with integrity.



Our Strategic Objectives

The agenda for change that we are presenting through this plan has three strategic objectives:

- **Ensure CINICO's long term sustainability;**
- **Deliver an exceptional customer experience enabled by strong stakeholder relations; and**
- **Strengthen our strategic and operational foundation for delivery.**

In the next section of this plan we describe what each of these objectives entails and how we will address them over the next five years, through the execution of key initiatives that support these objectives.

For each of the strategic objectives, we intend to report on the progress we are making, through an integrated performance measurement and risk management framework that is supported by specific milestones and key performance indicators.

A rigorous initiative rating process was followed, firstly to identify a pool of prospective initiatives in support of each of the three strategic objectives, and then to rate these proposed initiatives against the following criteria:

- strategic fit;
- potential impact;
- time to implement;
- total cost to implement;
- implementation capacity;
- risks to implementation;
- depth and breadth of change.

The final list of initiatives that are contained in this plan will form the "change agenda" component of our annual operational plans, which will be monitored to ensure the degree to which each initiative is on time, on budget and within scope. In these operational plans, we will ensure that there is an appropriate balance between the human and financial resources directed at implementing this change agenda and the resources needed to continue to successfully deliver our ongoing business, which we refer to as our sustaining agenda.

Ensure CINICO's Long Term Sustainability

The cost of healthcare is increasing every year due to several factors including, but not limited to, increasing costs for healthcare providers, medical science and technological developments, societal changes and behaviors, an ageing population, and high levels of preventable illnesses. CINICO has unique challenges as a government-owned health insurance company to meet these demands while operating in a regulatory environment designed for private sector insurance providers. Many studies have been conducted on sustainability issues for the insurance industry globally, and the Cayman Islands are not unique in facing this challenge.

Because CINICO does not have a diversified portfolio of benefits like other insurance providers in the Cayman Islands, CINICO has been placed in a vulnerable position. It has a much higher ratio of high to low health risk insured individuals in its population base, which is exacerbated by CIG's decision to allow the Statutory Authorities the opportunity to use private sector insurers, further putting CINICO's sustainability at risk.

Premium income is actuarially determined, and applied on the basis of a cost per member per month. The CIG has in the past required premium discounting without actuarial justification. The method previously used for determining the premium discount has led to instability in the operations of CINICO and impacted its profitability.

Over the next five years, therefore, CINICO will be exploring a range of options to ensure our sustainability. This includes studying cost containment opportunities by exploring the cost of HCCI and non-HSA physician charges, and closely monitoring follow-ups. We will also explore placing plan limits on certain benefits such as physiotherapy and chiropractic treatment, and undertaking measures to detect insurance fraud,





Given that the MOH is planning to conduct a study on health care delivery, including payment options, we intend to explore, with key stakeholders, options directed at providing the delivery of such costs in the most efficient and equitable manner possible.

HOW WE WILL ACHIEVE THIS OBJECTIVE

The ability for CINICO to ensure its sustainability requires a redefinition of its role and its relationship with CIG. In order to make progress towards our objective of a sustainable financing model for our organization, we will need to pursue initiatives that will not only ensure long-term sustainability, but should have the benefit of building stronger relationships with key stakeholders.

During the life of this strategic plan, we will continue to:

- Maintain adequate reinsurance coverage in line with CINICO's risk appetite.

Over the next five years we will also plan on successfully undertaking the following initiatives:

- Further develop and maintain approaches with shareholders and key stakeholders which would ensure that to premium income is closely aligned with the actuarial determination;
- Establish better methods to engage reputable local/overseas providers, thus achieving value for money;
- Improve and maintain robust client management and claims review to minimize potential fraud and overpayment of claims.

HOW WE WILL ASSESS OUR PROGRESS

We will measure our progress towards long term sustainability by:

- Reporting on the impacts of our initiatives to eliminate premium discounting;
- Developing a suite of performance indicators that demonstrate our progress, engaging both local and overseas service providers; and
- Assessing our success in achieving reductions in the incidence of insurance fraud.





Deliver an Exceptional Customer Experience Enabled by Strong Stakeholder Relations

Our 2019 member satisfaction survey has been an important part of our strategic planning considerations. In relation to overall client satisfaction, 64% of respondents reported satisfaction with CINICO's services and 23% were dissatisfied. The survey also revealed that although clients generally have a positive view of CINICO, and a majority of these clients like the product, many clients don't know enough about the company. Furthermore, when asked to assess overall performance, clients feel that communication is the most significant service delivery weakness, followed by attention to detail. Another important finding was that the percentage of clients who feel that CINICO is well run, and those who don't, is fairly equal.

We recognize that we need to improve our overall client satisfaction rating, our communication with members and how we are perceived, and we are committed to addressing these concerns.

Finally, the survey found that there is a great interest in new products which CINICO could make available. At this stage, we feel that we need to continue to enhance the processes, systems, and infrastructure which support our current business lines, and we recognize that we need to work more closely with our stakeholders to maximize the efficiency and effectiveness of our service delivery.

HOW WE WILL ACHIEVE THIS OBJECTIVE

Continuous improvement of service delivery to our members is a key strategic priority of CINICO.

During the life of this strategic plan, we will continue to:

- Maintain a high level of customer service to members on all three islands. While a recent survey of plan members provided an overall good rating of customer service, there are areas for improvement, such as updating the phone system to promote prompt responses;
- Provide educational material and conduct education sessions for CINICO members that would focus on better lifestyle choices and achieving better health;
- Improve how we engage stakeholders and find more effective ways to ensure our relationships are healthy;
- Improve the nature and type of data analytics to stakeholders, enabling informed decisions on health care policies and programmes;

- Provide recommendations to CIG on ways to lower healthcare costs within their current plan;
- Provide more convenient accessibility to filling prescriptions and processing of claims; and
- Maintain a high level of responsiveness of MCCs.

Over the next five years we plan to successfully undertake the following initiatives:

- Research and report to the CIG on ways to lower healthcare costs within their current plan;
- Update our phone system to promote prompt responses; and
- Finalize and execute annual Summary Plan Documents (SPDs).

HOW WE WILL ASSESS OUR PROGRESS

We will measure improvement of service delivery to our customers by assessing the degree to which application processing times, responses to requests for information, guidance, and advice are within CINICO service standards, and reporting on levels of client satisfaction and whether we are seeing a lower incidence of complaints. We will also monitor the health of our engagement with stakeholders by conducting an annual survey and using the results of the survey to determine how well we are improving these relationships.

64%

As regards to overall client satisfaction, 64% of respondents reported satisfaction with CINICO's services and 23% were dissatisfied.





Strengthen Our Strategic and Operational Foundation for Delivery

Successful delivery of our mandated responsibilities is dependent on a strong foundation made up of a stable infrastructure, leading edge service delivery tools, engaged and empowered employees, efficient management processes, and robust governance and accountability frameworks. There are a number of areas in which we can strengthen our governance, and infrastructure practices and thus strengthening this foundation for delivery. To identify how we might best address the initiatives that would provide the greatest impact on our operations, we recently documented our service delivery model and assessed how well we are structured internally to manage for optimum results.

For example, given the data that CINICO gathers on the full spectrum of primary health care, its delivery, and the associated costs, our organization is in an advantageous position to provide decision-makers in the various stakeholder groups with data that can assist with:

- Strategic planning for risk management and chronic diseases;
- Improving services for at-risk groups (i.e. the ageing population);
- Identification of areas for action regarding patients with complex medical histories, including those who suffer from multiple conditions; and
- Dealing with threats and losses.

CINICO acknowledges that there are significant opportunities to improve how we operate in order to ensure that we achieve our objectives. We are committed to the implementation of updated frameworks and practices which provide assurance to Senior Management and the Board, that services are being delivered with due regard to value for money.

HOW WE WILL ACHIEVE THIS OBJECTIVE

For operational success, CINICO must have an integrated set of management policies, procedures, and practices which ensure that it can deliver quality service to its clients and meet the expectations of the shareholder. We also need to continue to seek clarity as to how CINICO can be a sustainable partner in the Cayman Islands healthcare system.

During the life of this strategic plan, therefore, we will continue to:

- Update our policies and procedures to ensure they provide our staff with a clear understanding of how we are managing for results; and
- Carry out extensive staff training, including cross-training of staff, for more effective use of our personnel, ensuring that there is a robust succession plan for key positions in the Company.

During the life of this strategic plan, we will undertake the following initiatives:

- Develop a business case for CIG to consider how CINICO could be a more successful and sustainable partner in the healthcare system;
- Institute a study of the governance framework for CINICO;
- Develop and implement risk management and performance measurement policies and frameworks;
- Review the process to ensure the accuracy and timeliness of member data; and
- Improve the internal audit function, including the development of an annual audit plan.

HOW WE WILL ASSESS OUR PROGRESS

We will measure our progress in relation to this strategic objective through internal audits focused on our management framework, which assesses how well our planned business improvements are working. We will also report on employee satisfaction and the degree to which our employees feel they have an enabling work environment, equipped with suitable tools and infrastructure.





CAYMAN ISLANDS
CINICO
NATIONAL INSURANCE COMPANY

CAYMAN ISLANDS NATIONAL INSURANCE COMPANY LTD.
P.O.Box 10112,
Grand Cayman KY1-1001,
CAYMAN ISLANDS

Tel: +1 345 949 8101
Fax: +1 345 949 8226

www.cinico.ky