

## PRESS RELEASE

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23 May 2012

The Auditor General, Alastair Swarbrick, made public today a performance audit report on the “Management of Overseas Medical Services.” The Cayman Islands Government is currently spending approximately \$30 million a year on overseas medical care. In his report, Mr. Swarbrick provided an assessment of how well the Cayman Islands National Insurance Company Ltd.(CINICO), a Cayman Islands Government owned company, is providing overseas health management services in a cost effective manner

In his audit covering the period from May 2009 through April 2011, Mr. Swarbrick found a number of significant weaknesses in the operations of CINICO including:

- CINICIO officials not attending many key weekly meetings intended to ensure the effective management of overseas cases;
- a lack of paper work to support how CINICO managed overseas cases when responsibility was taken away from the case management company ;
- engaging a second case management company in contravention of the agreement with the first company and without board knowledge;
- a lack of evidence that CINICO was ensuring the case management company was carrying out its key responsibilities under the contract to avoid overseas medical costs; and
- a lack of good governance practices in place for effective oversight by the Board of Directors.

*“I found CINICO did not have sufficient management and board practices that would have ensured expenditures relating to overseas medical services were being effectively controlled,”* said the Auditor General. *“In several individual cases, I could not find evidence supporting decisions taken that would have ensured cost effective patient care.”*

Mr Swarbrick noted that the audit did not quantify how much money might have been saved had CINICO adopted better management practices.

While he raised some serious concerns, Mr. Swarbrick said he is pleased to see the positive response of the current management team and Board through recent actions taken and a willingness to take further action to address the concerns discussed in his report.

More information about this report can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345) 244-3206.