

**Remarks by Mr Algernon Cargill, Director, National Insurance Board  
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***“Making the Leap to the Remarkable”***

My first pleasant duty is to thank you for inviting me as Director of the National Insurance Board to participate in your conference. Occasions such as these allow me to keep members of the community informed of the progress of National Insurance, which is an essential part of my stewardship and accountability.

It is my pleasure also to congratulate you on the continuing success of your organization and its worldwide impact. I commend you for the timeliness of your theme. Given the climate and demands of the age in which we live, I sincerely believe that the time has come for Bahamians, as individuals and as a nation, to “MAKE THE LEAP TO THE REMARKABLE.”

Achieving the remarkable is essential not only to our personal and professional development, but also to the advancement of our country.

IAAP shares many of the goals and strategies, which I hold to be the essential steps on the journey to remarkable. Some of the key objectives are concerned with

- Conducting ongoing research of trends.
- Providing education and training.
- Providing top-notch resources to help members enhance skills and become more effective contributors.
- Inspiring and equipping professionals to attain excellence.
- Encouraging members to provide service to employers, clients and the public with dedication, excellence and enthusiasm.
- Set recognizable standards of excellence.

These preoccupations signal some vital understandings – making the leap to the remarkable – requires us to take a global view of our situation; addressing the many-sided nature of our circumstances and aspirations calls for a response that is equally multi-faceted. A superior response comes out of a high degree of organizational planning, which integrates and makes optimum use of team and skills-building, physical resources, well-trained and appropriately skilled personnel and external partnerships.

Today I will share with you how we have applied these notions to creating a 21<sup>st</sup> century posture for National Insurance. Our goal is to enable NIB to continue to provide necessary benefits for Bahamians throughout these economically challenging times and beyond. This was the mandate I was given at my appointment as Director of the National Insurance Board in 2008.

If people, things, ideas or practices are to be accounted *remarkable*, they should first serve the purpose for which they are intended. The remarkable must have meaning. Whatever we do should bring about our own personal and professional growth. But know this; attaining bells and whistles, glamour, acclaim and awards is fine. It won't mean much, however, unless your practice reflects the highest quality of ethics, conscience and citizenship and contributes to the upliftment of the community that supports you and your enterprise.

I offer the reorganization of the National Insurance Board as a case study of a drive to attain the remarkable in organizational planning and development. The process began with research. Our examination showed that the National Insurance Board had been especially dynamic in shaping a viable social security system. It was a matter of pride to note the following accomplishments of the late 1980s and 1990s:

- Much progress in the area of computerization and communications;
- Vastly improved provisions and accommodations for staff;
- The securing of necessary international linkages such as membership in the Inter-American Conference on Social Security (CISS).
- The creation of the Medical Benefits Branch in 1985 to assist with the development and extension of the national healthcare infrastructure. To date, the National Insurance Board has funded the construction and equipping of a total of 19 clinics/health centres throughout the archipelago. Just a couple of weeks ago, we put a call out for prequalification proposals for two additional clinics, one in Georgetown, Exuma and the other in Marsh Harbour at a combined cost of \$30 million.

More than anything else NIB has done, such facilities represent the commitment of the Bahamas Government and the Board to ensure, as far as possible, equality of opportunity for Bahamians no matter where we live, whether in Abaco or Acklins.

Further contributing to community building and availing itself of sound local investment vehicles, the National Insurance Board has also financed several major infrastructural projects on behalf of the Bahamas Government.

These were worthy accomplishments, but when I took office in 2008, time had marched on. The century had changed, the country had changed and so had the rest of the world. The impact of one of the worst financial downturns in decades was being felt around the globe. New needs had arisen among our people, especially those occasioned by the rising incidence of unemployment.

Change is one of the greatest challenges to achieving the remarkable, but change can also yield great benefits. Change forces examination. It creates an environment in which creativity and innovation can shine. It demands appropriate and timely responses to changing times and needs, which makes all the difference between survival and utter despair.

The first step in NIB's reorganization was research to determine the effectiveness of the current National Insurance programme and what changes and innovation were required. The process called for empirical research, but simply listening to people was also fundamental. Determining the future of something so vital as the social security system of the country cannot be done by guesswork or by egotistical command. It takes getting into the trenches; it takes approaches not hampered by personal or institutional bias.

A vital part of making constant leaps to the remarkable is accepting the fact that you are not expert in everything. It lies also in cherishing and acting on the knowledge that someone out there has the necessary expertise and is willing to join a mutually beneficial partnership.

The 8<sup>th</sup> Actuarial Review of the National Insurance Fund was key to the research process. It was engaged to assess the current financial status and benefit provisions of the Fund and make projections for the future. The main findings of the review were sobering. For one thing, it told us that if the present contribution rate and benefit provisions were maintained, the National Insurance Fund would be exhausted in 2029.

The results of the Report confirmed what the directorate of NIB already knew – we could not rest on the achievements of the past, no matter how great they were. Survival and future achievement required moving on.

I am sure that you have heard the statement "Give me men to match my mountains." To achieve new goals, the organization had to do all it could to build staff competence, morale and inclusion.

Consequently, NIB completed a compensation review and manpower needs assessment exercise with the assistance of the *Hay Group*. Management training, management accountability, clear performance standards and employee empowerment, are just some of the key areas that the reports recommended.

To further empower management and staff, we focused on providing enabling tools in the form of new legislation and enhanced internal processes and equipment such as state-of-the-art computerization.

To act on the recommendations of the 8<sup>th</sup> Actuarial Review, the National Insurance Board began with the appointment of the Social Security Commission to address the associated issues.

The result was that, in July 2010, Parliament passed 22 amendments to the National Insurance Act to strengthen our social security system. The new legislation gave new vigor to the National Insurance Contributions plan, to Benefits & Assistance and to Financial & Accounting Regulations.

I am pleased to report that all but two of the 2010 amendments are now in force, including increases in pensions encompassing Retirement, Invalidity and Survivors Benefits, as well as in Assistance Pensions such OANCP and various Grants. The Maternity Grant and the Funeral Benefit will be adjusted every other July by the cumulative change in the Bahamas Retail Price Index plus 2 percent.

NIB pensions are now subject to automatic adjustments directly linked to increases in the cost of living, permitting pensioners to maintain an acceptable standard of living over time. So, for example, if cumulative inflation over two years is 5%, then a \$500 pension will be increased to \$525 and then to \$551.25 two years later.

The wage ceiling increase from 400 to 500 dollars is now in effect. An additional increase from \$500 to \$600 is planned for July 2012. To keep the National Insurance Fund viable to serve needs well into the present century, automatic adjustments to the wage ceiling will occur every second year starting in 2014. These changes will ensure that benefit payments you receive remain relevant. Benefit payments have a direct positive correlation with the wage ceiling on which contributions are based.

Again in fairness, the contribution period for retirement pensions has been raised from a mere 3 years to about 10 years or 500 contributions. The new plan is not a barrier to getting a retirement benefit. An individual who does not meet the 500-contribution baseline at retirement, will be entitled to a grant, representing six times the average insured wage for each set of 50 contributions paid, once all other requirements for the claim are met.

As regards calculating Retirement Benefit, the period of review for determining the average insurable income has moved from the best three years in the last ten, to the best five years in the last 10; this amendment ensures a fairer relationship between contributions made and pensions received.

Furthermore, Industrial coverage has been extended to self-employed persons, who are now required to pay contributions at a rate of 8.8 percent. It should be noted that, to qualify for industrial benefits, self-employed persons must be no more than 60 days behind on their contributions at the time of the injury.

We are proudest of the fact that the new benefits incorporate increased assistance for widows and widowers. NIB will pay 100% of the widow/widower's Retirement or Invalidity pension, plus 25% of the deceased spouse's pension.

To me, the remarkable is also about spreading opportunities for increased wellbeing to the greatest number of persons. NIB's commitment has ensured that workers in the hospitality industry and pensionable civil servants, representing the majority of the workforce this country, are now paying contributions on the same wage ceiling as everyone else and will be eligible to receive commensurate retirement benefits. Starting in 2013, formally paid gratuities for

hospitality sector workers will become a part of insurable wages. Hospitality workers in this category will thus have a larger share of their regular take home pay covered for National Insurance benefits. Contributions on base wages will continue to be shared by the employer and worker.

NIB turned next to address another great community need. Research engaged under the aegis of the Ministry of Health revealed an alarming national health issue. One in three Bahamians suffers from one or more chronic non communicable diseases or CNCDS, including hypertension, high cholesterol and diabetes. Such illnesses are costly to patients, to those who support them and to the country's healthcare budget and facilities. Among the greatest challenges in this regard is paying for prescribed medications.

As prompt and timely access to prescription drugs plays a critical role in managing chronic non-communicable diseases, the National Prescription Drug Plan was launched in September 2010 to provide prescription drugs FREE of charge to four categories of persons. In May of this year, the Plan was extended to seven more categories of persons for a total of eleven.

To ensure best results for the something as sensitive and far-reaching as the Drug Plan, it is essential to maintain excellent communications among stakeholders. NIB has produced and distributed a a reference booklet for physicians containing information on the diseases covered by the Drug Plan and a listing of eligible medications, as well as other resources. A similar booklet has been published for patients. In order to reach the greatest number of Bahamians, a high-functioning website, [www.nibdrugplan.com](http://www.nibdrugplan.com) was built and is kept current.

Additionally, NIB has invested over one million dollars in new technology to assist in the management of the Drug Plan. A computerized, internet-enabled system allows for:

1. Enrollment and registration of members;
2. Proper and cost-effective procurement of prescription drugs;
3. Distribution at the point of need;
4. On-line, real-time adjudication and processing of claims; and
5. Settling of pharmacy claims within seven working days.

Reliable partnerships are often vital to achieving the remarkable. This has been the case for the Drug Plan. Participating private and public pharmacies have been vital to this effort and I thank them for their ongoing contributions.

NPDP has already had a great impact in its first year. Let me share a few figures with you:

- The annual budget for prescription medication exceeds \$10 million.
- Number of persons registered: 16,000
- Total number of active NPDP beneficiaries: 14,349
- Participating Pharmacies: 40 private, 70 public for a total of 110.
- Number of prescriptions filled: Private pharmacies (100,000+) Public pharmacies (21,772)

- Amount paid out to private pharmacies (as at Aug. 2011): \$2.1 million
- Average # of Claims Paid Weekly: 2,171 (private) 340 (public)
- Average Amount Paid Weekly: \$41,777 (private) \$5,399 (public).

The second component of the National Prescription Drug Plan is the Healthy People Programme, which provides financial grants to qualified organizations to provide solid programmes of community wellness activities and to promote knowledge of health risks and personal responsibility for wellness.

The signature initiative of HPP is the Get Well Bahamas Health and Fitness Challenge (GWB). In this instance, we have partnered with Jemi Health & Wellness and Body Zone Fitness to design and conduct the wellness and fitness training aspects of Get Well Bahamas.

Participation in the programme is completely FREE-OF-CHARGE. All participants receive an initial health screening and health risk assessment, as well as ongoing screening to track their progress. At the end of the three-month period we award a number of very attractive prizes to the three most improved participants. GWB enjoys the partnership and sponsorship of a number of good corporate citizens.

“Get Well Bahamas” Phase 1 recorded remarkable successes.

- 1) Get Well participants lost an aggregate of more than 1000 pounds and achieved significant reductions in blood pressure, cholesterol and glucose levels, as well as reductions in need for medication.
- 2) The initiative has reinforced the fact that wise lifestyle choices are keys to reducing the damaging effects of many chronic diseases.
- 3) By commissioning The Counsellors Ltd to follow the activities of the participants in a reality television show, we have been able to spread this message to a wide audience.

We launched Phase II in late July with the induction of 41 new Challengers and five of the most successful members of the first group to act as mentors.

As I hope I have shown, the remarkable is an ever moving target. Even the great Saint Paul declared that he had not yet attained. We are well aware that there will always be milestones to aim for and reach. We know that such milestones are attained when colleagues near commend our work. Early this year, the International Social Security Association (ISSA, headquartered in Geneva, Switzerland named the National Insurance Board to the prestigious position of Vice-Chairperson of the Technical Commission (TC) on Employment Policies and Unemployment Insurance for three years. As Director, NIB, I carry out the associated duties.

The Technical Commission will shape the way Global Social Security Organizations provide guidance and support to member organizations on Employment Policies and Unemployment

Insurance. The Board's selection speaks volumes of the degree to which NIB has impressed ISSA with the quality of skills and character we can bring to the table.

A further indication of the respect our work enjoys in the international arena came when ISSA appointed me, in my own right, to serve as a liaison of the same Technical Commission to participate in a global project to develop ISSA Service Quality Guidelines for social security organizations worldwide.

NIB has received further international accolades in being named a Laureate in the 2011 *Computerworld Honors Programme* for the success of the National Prescription Drug Plan. Founded by International Data Group (IDG) in 1988, this award recognizes organizations and individuals who have used information technology to promote and advance public welfare, benefit society and change the world for the better. The National Prescription Drug Plan fit the criteria abundantly and was selected from a highly competitive field of 1,000 nominees. The award was presented on the 20<sup>th</sup> of June in Washington, DC.

What if there had not been Bahamians who decided to make a leap for the remarkable and build a social security system, especially in light of the recent crises imposed by hurricanes and the global recession? I want to share with you now some statistics that demonstrate how powerful and necessary a force National Insurance is for the wellbeing and protection of the dignity of the Bahamian people in times of change and challenge.

An Unemployment Benefit became necessary as the recession deepened. It eventually became a permanent fixture within the National Insurance benefits package, the interim phase in April 2009 and the permanent phase June 1, 2010.

At the beginning of the three-year period, between 2008 and this year, 15,690 claims were received and 14,208 paid for a 91 percent payout. All told, Unemployment Benefit year-to-date figures show awards numbering 22,900, a total weekly payout of \$3,137,072, with average weekly awards of \$137. In total, NIB has issued cheques, year-to-date, amounting to \$34,649,466. I assure you that, for the sustainability of this essential benefit, we have instituted stringent guidelines and monitoring systems to ensure that the benefit goes only to those who are entitled.

This is your money and your dedication to community at work. All individuals and businesses that make your contributions consistently and on time must be commended. Hurricanes tell us that we can make calculated predictions, but none of us can confirm the future. On the positive side, the degree to which our islands survived this recent crisis speaks loudly of the value of preparation and cooperative contributions.

Keeping National Insurance strong is one of the main ways of helping Bahamians to survive and maintain dignity in times of crisis and change expected and unexpected. Despite this, compliance in the payment of the National Insurance obligation is still too low. You members of

IAAP are doubtless committed to fulfilling the obligations of citizenship and professionalism. I ask you to use your considerable access to the halls of power to lobby for increased compliance by the businesses and organizations with which you are connected. I ask you also to encourage family and friends who are self-employed to prepare for the rainy days by establishing a regular relationship with NIB. It is like paying asue—what you put in eventually comes back to you in some form or other. The National Insurance Board and its staff are merely stewards entrusted with directing, growing and maintaining your investment.

I promise you that my knowledge, skills and values are fully committed to ensuring that the National Insurance Fund and the benefits it underwrites will keep growing to the extent that astute investment can effect in a rapidly changing world.

I leave you now with the formula given by the famed and late UK photographer and designer Cecil Beaton for attaining the remarkable: 'Be daring, be different, be impractical, be anything that will assert integrity of purpose and imaginative vision against the play-it-safers, the creatures of the commonplace, the slaves of the ordinary.'

I add that being remarkable requires the strength of character and courage to stand alone, to go against the tide of criticism, but the reward is greater than riches—it is the satisfaction that you have stood up to be counted, you have brought positive change to your own life, your profession, your world. This will ever be my personal and professional stance.