

## **PROJECT CHARTER**

**SINGLE MARKET FOR INSURANCE AND PENSIONS (SIPMP)- EASTERN CARIBBEAN  
CURRENCY UNION**

**EASTERN CARIBBEAN CURRENCY UNION TECHNICAL CORE COMMITTEE ON  
INSURANCE**

**APRIL 13, 2017**

# **SIPMP- Project Charter**

## **1.0 NAME AND PURPOSE:**

This Charter formally authorizes the Single Market for Insurance and Pensions Project (SIPMP) in the Eastern Caribbean Currency Union (ECCU). The authority for the project arises from the 2009 Revised Treaty of Basseterre Establishing the Organization of Eastern Caribbean States and Economic Union and represents a direct response of the Governments of the ECCU, through the Monetary Council of the Eastern Caribbean Central Bank, to address the risks to policyholders and the market, resulting from the failure of flagship insurance companies Colonial Life (CLICO) and British American Life (BAICO). Other responses include the establishment of a Ministerial Sub-Committee on Insurance supported by a Technical Core Committee to provide strategic guidance and technical advice to the Governments on matters of insurance and pensions and to advise on resolution strategies for the failed companies.

The single market project is comprised of two core components which are a) the uniform insurance and pensions legislation and b) the single integrated insurance and pensions Regulatory Authority, the Eastern Caribbean Financial Services Commission (ECFSC).

A project plan is being developed for submission to the Project Sponsors for approval. The project plan will include: scope; schedule; cost estimates and budget where appropriate, with provision for resources, communications, risk and stakeholder management as well as project control. All resources assigned will be approved by the Project Sponsors i.e. the ECCU Governments, represented by the Chairman of the Technical Core Committee, Mr. Whitfield Harris, Director General of the Ministry of Finance in Antigua and Barbuda.

## **2.0 PROJECT SCOPE:**

The SIPMP fits within the broader objective of the creation of a single financial and economic space within the ECCU, but is focused on the insurance and pensions sectors and the establishment of an integrated Regulator, the ECFSC, to administer a uniform Insurance and Pensions Act.

The SIPMP will streamline the regulatory landscape for insurance and pensions and at the same time provide for consistency in the application of laws and standards in regulation and supervision of the sectors. Other objectives of the SIPMP are listed as follows:

- Maximize resources at the lowest economic costs by building critical mass and scope, through a unified regulatory approach;
- Secure timely co-operation and consistent approach across multiple borders in the face of crisis and limited financial resources;
- Introduce IAIS benchmarked legislation with a clearer basis for market conduct regulation and consumer protection;

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- Create an integrated, independent and well-resourced Regulator with appropriate Actuarial and Reinsurance expertise;
- Create a streamlined and simplified market for insurance service providers which should translate into reduced costs and compliance burden;
- Facilitate a more effective sub-regional response to financial stability concerns;
- Provide more favorable protection for consumers of insurance and pension service products;

The creation of a single financial and economic space within the ECCU includes similar arrangements to extend to other non-bank financial institutions e.g. money services business and credit unions, which will fall subsequently under the supervisory purview of the integrated regulator. The time frame for incorporation of other non- bank institutions is estimated at 3-5 years following the establishment of the ECFSC.

Project success will be determined by the Project Sponsors on accomplishment of the following:

- 1) Signature of the Commission Agreement;
- 2) Passage of the uniform insurance and pensions law;
- 3) Passage of the Commission Agreement Bill.
- 4) Establishment of the integrated regulator, the ECFSC;

### **3.0 Project Management**

The Project Manager, Eleanor Astaphan, is hereby authorized to interface with international donor organizations, the regional regulatory authorities, insurance and pensions service providers, Ministries of Finance, Attorney General Chambers, the Eastern Caribbean Central Bank (ECCB) as required, to negotiate for resources, technical assistance , delegate responsibilities within the framework of the project, and to communicate with all contractors , and extra regional related and interested parties, as required, to ensure successful and timely completion of the project. The Project Manager is responsible for developing the project plan, monitoring the schedule, cost, and scope of the project during implementation and recommending and taking corrective actions as appropriate.

### **4.0 Summary Milestone Schedule**

The project plan will be submitted and approved in accordance with the milestone schedule below. A detailed schedule will be included in the project plan. The high-level milestone schedule is as follows:

<b>March 31, 2017 –</b>	SIPMP Project Organization Completed
<b>June 30, 2017 –</b>	Finalization and Signature of the Commission Agreement Completed
<b>September 30, 2017-</b>	Finalization of Host Agreement and Administrative Arrangements for

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	IIQ Completed
<b>December 31, 2017-</b>	Appointment of Chairman and BOD, ECFSC Completed
<b>March 31, 2018-</b>	Appointment of Managing Director, ECFSC Completed
<b>June 30, 2018-</b>	Finalization and Passage of Insurance and Pensions Act; Commission Agreement Act Completed
<b>September 30, 2018-</b>	Recruitment /Secondment of Staff in Progress
<b>November 30, 2018-</b>	Finalization of MoUs with Satellite Offices
<b>December 31, 2018-</b>	Commission and Insurance and Pensions Legislation take Effect//Commission Live
<b>December 31, 2018 –</b>	Project Review and Completion

### **5.0 Project Budget and Resources**

Budget for the period 23 January 2017- 31 December 2017 is USD126, 933. Financial support is provided by the Monetary Council through the Eastern Caribbean Central Bank.

Technical Assistance will be sought from international bodies for requisite expertise to implement various aspects of the project, for example, legal drafting and insurance and pensions sector expertise required for completion of the technical gaps in the uniform insurance and pensions law.

Resources for the SIPMP project teams will be drawn from across the ECCU regulatory bodies and industry, with the assistance of external expertise as may be required. It is imperative that the organizational structure to support the Project Manager and the Project Management Office be approved and formalized by the Project Sponsors to ensure that assigned resources are afforded the time and right priority of work in order to meet project timelines and deliverables.

Administrative and IT /communications support will be provided through the Strategic Planning and Projects Department of the ECCB.

### **6.0 Project Risks**

The SIPMP involves two (2) major sub-projects which will be implemented across multi-jurisdictions and in a virtual environment. This on its own, is a challenge and adds to the risks that could potentially impact the project. The necessary cohesion and communication of Project teams could be challenged in coordination of the project across eight (8) jurisdictions in a virtual environment. In addition, other external factors, based on processes and protocols within individual member jurisdictions could impact timely delivery.

Other high level risks for this project include the following: -

- commitment to implementation by less than five (5) of the eight (8) participating ECCU territories;
- securing appropriate funding resources for the project and startup of the ECFSC;

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- successfully resolving issues related to the impact of funding the ECFSC and the resulting job insecurity of existing jurisdictional authorities;
- securing the commitment of local Regulatory Authority Heads particularly in the engagement of staff in project team work and assignment of appropriate priorities to same.

Industry push back is always a risk factor in the implementation of new and/or revised, higher regulatory standards, particularly in respect of added business and compliance costs. However, the benefits to be derived from a streamlined market with the consistent application of regulatory standards across the sub-region, has been well supported by industry.

Funding by the Project Sponsors could become a risk where government resources may become constrained or where commitment to project implementation may no longer be deemed a priority.

A Risk Register and proposed mitigating strategies and actions in the event of materialization, will be developed.

### **7.0 Stakeholders and Communication**

The Project Sponsors through its Representative and the Joint Committee, will be responsible to support and guide the project, ensure proper resourcing and assist the Project Manager in resolving key issues arising in the implementation of the project.

The stakeholder list includes the following:

- ECCU Governments- Project Sponsors
- Technical Core Committee and Joint Committee
- ECCU Regulatory bodies
- ECCU insurance and pensions service providers and industry groupings
- Consumers of insurance and pensions products
- International bodies assessing effective implementation of standards for insurance and pensions

An appropriate platform to allow communication between and among the Project Management Office and Project Teams is to be implemented. Mechanisms for reporting and interacting with stakeholders at appropriate times will be included in the project plan.

A project website will also serve as a focal point for project information and update to all stakeholders and the public at large.

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**PREPARED BY:**

  
Eleanor Astaphan  
Project Manager

### SPONSOR ACCEPTANCE

Approved for and on behalf of the Project Sponsors:



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Whitfield Harris  
Chairman of the ECCU Technical Core Committee

Date: 18/4/17