

EXTRACT FROM SUBMISSIONS TO CABINET
RE: THE AWARD OF CONTRACT FOR
THE JAMAICAN ATHLETES INSURANCE PLAN

The Cabinet, by its Decision, gave approval for the implementation of the JAIP to include:

- a) the engagement of an Actuary to conduct a study to inform the final benefits and terms and conditions of the JAIP, and
- b) the procurement of the services of a life/health insurance provider/broker to carry the JAIP.

BACKGROUND

The National Sport Policy (2013) outlines the Government's intention to *create an environment which facilitates the health, wellness, security, and social protection, safety and prosperity of all athletes*. The Policy further *recognizes and acknowledges the outstanding contributions which national athletes make to the positive image of Jamaica and the enhancement of Brand Jamaica*. The National Sport Policy commits the Government of Jamaica to *pursue the establishment and maintenance of a sustainable health and life insurance, pension/annuity and retirement plan for all eligible national athletes*.

During the process of developing the National Sport Policy, eleven consultations were held between May 11 and June 6, 2012. Approximately 264 persons from 210 organizations, including the major stakeholders in the Sport sector and community groups, were part of this process. While recognising that the Sport Development Foundation has a provision for athlete welfare, a recurring appeal during the consultations was for the Government to place urgent attention to the provision of insurance coverage for our athletes. This recommendation was incorporated in the National Sport Policy as a critical policy issue that the Government would seek to address. In this regard, the Office of the Prime Minister commenced work on the development of a health and life insurance plan for national athletes.

Jamaica has forty-two (42) National Sport Associations and Federations from which twenty-eight (28) sporting disciplines, inclusive of team sports, represent Jamaica at the international level. All athletes who represent Jamaica must be recognized by their National Sport Association or Federation. Currently, there are 2,714 athletes that are within the Jamaica Anti-Doping Commission's (JADCO's) database of national athletes who represent Jamaica at the international level.

The nature of the activities in which an athlete is involved, whether during training or competition, increases his/her risk of injury. Athletes need to have well-conditioned bodies and be injury free in order to perform at their highest level, as it is their performance which determines their career path.

Whilst some of the athletes who represent Jamaica at the international level receive endorsements, sponsorship and other monetary benefits from corporate entities or as rewards at sporting events or meets, many of them are either secondary or tertiary level students and require additional support in order to continue to participate in the various disciplines. Some receive a level of financial support which helps in the development of their career as athletes, but this support is often not sustained financing and does not necessarily translate to the athlete being able to access health related services that provide injury management or rehabilitation from injury.

The provision of a health insurance plan for athletes will therefore allow them to access health and life insurance benefits to address illness and sport-related injuries, and will assist in prolonging the athlete's career.

FEATURES OF THE JAMAICAN ATHLETE INSURANCE PLAN (JAIP)

The Athlete Development and Well-being Committee of the National Council on Sport was charged with the responsibility of formulating clear recommendations for consideration of the Council in respect of the policy on the development of a sustainable health and life insurance plan for all eligible national athletes. A consultant was engaged to assist with the research and preparatory work for the establishment of the Plan.

The Committee reviewed several drafts of the consultant's work and provided feedback over a five month period which resulted in the preparation of a Benefits Schedule Summary that was presented to the National Council on Sport on October 18, 2013.

A special meeting of National Sport Associations and Federations was convened on February 12, 2014 by the Hon. Natalie Neita-Headley, MP, and Minister without Portfolio (Sport). The proposal for the insurance plan was shared with thirty-seven (37) Associations and Federations. The main features of the JAIP were outlined along with a proposal that the cost of premiums be shared between the Government of Jamaica (95%) and the National Sport Associations and Federations (5%). The Associations/Federations supported the proposal and accepted the recommendation that the cost of the premiums be shared.

Following the special meeting of National Sport Associations and Federations on Wednesday, February 12, 2014, the Sport Associations and Federations were asked to complete a form that would provide the number of athletes that each Association/Federation was desirous of participating in the JAIP.

Engagement of an Actuary

On February 13th, 2015, the Office of the Prime Minister (OPM) procured the services of GFRAM Consulting Limited. This company was among three actuarial firms identified by the Ministry of Finance and Planning as duly registered and recognized actuarial firms with experience in developing and processing similar tenders for Government health insurance schemes.

Assessment of the Proposal for the Jamaican Athletes' Insurance Plan

GFRAM Consulting Limited submitted its first report to OPM on 26th March 2015. This report was based on a special Study conducted to assess the Proposal for the creation of a Jamaican Athletes Insurance Plan.

Scope of Work/Health Care, Life and Personal Accident Coverage

The Request for Proposal indicated that approximately 1,323 athletes, (517 females and 806 males ranging from 6-70 years of age) will require Group Health Insurance. Just over 1,000 of the athletes are in the age cohort of 16 to 30 years of age. The Benefits Schedules for which Bidders were required to submit proposals were included in the RFP, however Bidders were allowed to submit no more than 3 alternatives to the Benefits Schedules. Bidders were required to make proposals on benefits for nine (9) major health service categories:

- i. Hospitalisation Services
- ii. Surgical Benefits
- iii. Doctor's visits (to include Consultations and Specialist visits)
- iv. Diagnostic Services
- v. Prescription Drugs
- vi. Combined Dental and Optical
- vii. Major Medical
- viii. Overseas Emergency Services
- ix. Overseas Non-Emergency Services

Under coverage for Group Life and Personal Accident, Bidders were asked to make proposals for:

- i. Group Life
- ii. Accidental Death and Dismemberment
- iii. Accidental Medical Reimbursement

TENDER PROCUREMENT PROCESS

Consultation with the Ministry of Finance and Planning

The Request for Proposal was drafted by the Actuary, GFRAM Consulting Ltd. and benefitted from feedback from the Ministry of Finance and Planning in relation to the evaluation criteria.

Publication of Request for Proposal (RFP #GHL2015-08-13)

The Request for Proposal was advertised on August 11th and August 15th, 2015, in the Jamaica Observer and the Daily Gleaner, respectively. On August 13th, 2015, the Request for Proposal was issued by OPM inviting eligible Brokers and Insurers to submit proposals to provide insurance coverage and services for the placement of JAIP's Group Health, Group Life and Personal Accident Insurance.

The objective of the Tender was to identify the most cost-effective solution available in the market for the placement of these insurance schemes. The closing date for the submission of tender documents was September 10th, 2015 at 3:00 pm.

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The final recommendation takes the following factors into account:

- i. The Eligibility and Responsiveness of the Bidders' Submissions
- ii. The results of the Technical Evaluation
- iii. The results of the Financial Evaluation with reference to the Cost Benefit Analysis
- iv. Final Ranking of the Proposals
- v. Proposed Premium Rates
- vi. JAIP's budgetary restrictions on premium rate increases

Contract Period

The contract period will be for a period of three (3) years renewable annually based on competitive market rates and premium adjustments.

FUNDING

The Government of Jamaica sought funding support from the Sports Development Foundation (SDF), the Tourism Enhancement Fund (TEF), the National Health Fund (NHF) and the Culture, Health, Arts, Sports and Education Fund (CHASE). Formal commitments have been received from the SDF, NHF and TEF to cover the costs of the Plan including the additional expenditure arising from the consultation/re negotiations with the recommended bidder.

The National Sport Associations and Federations have committed to supporting the JAIP by contributing five percent (5%) of the cost at the Bronze level for their member athletes who participate in the JAIP.