



# **CLICO**

## **Staff Appreciation Luncheon & Award Ceremony**

CLICO Programme  
On-going Work  
CLICO Staff Effort & Appreciation  
Lesson Learnt

**Winston Dookeran**

Address by the Honourable Minister of Finance (abridged version)  
March 23rd 2012, 2:30pm  
Hilton Hotel, Ballroom



## *CLICO Programme*

Indeed, the extraordinary times over the last few years has shown the resilience of CLICO, an institution that is well over 75 years old. To overcome these very trying circumstances, a new economic framework and platform had to be put in place. Fundamentally, the platform meant that policyholders be protected, while it does not take away the wealth of the nation. We have accomplished this with the support of the CLICO staff.

Local and international commentators agree that this was a great challenge for a country as small as ours. When we embarked on this road we were fortunate to have so many citizens of integrity volunteer their time and wisdom to assist in designing the very creative programme to treat with - what was referred to as -the CLICO situation in Trinidad and Tobago.

The CLICO programme treated with four categories:

- *Honour the policyholders*
- *Protect the national debt of Trinidad and Tobago*
- *Assist with the rebirth of CLICO*
- *Ensure that future taxpayers do not bear the burden of yesterday*

We have reached the point where we feel a sense of growing confidence that this institution could develop once more to be an even greater institution in the near future. The Ministry of Finance had the responsibility of devising the payments to policyholders and as of paid out over \$6.2 billion dollars in the last year. This does not represent the total commitment

but it represents those policyholders who have taken up the Government's terms of payment, which amounts to about 60% of total policyholders.

The offer involved four parts to it:

- 1. To satisfy the small policyholders so they did not have to feel the threat and tremors of a failed institution*
- 2. To deal with the compassionate window so that the elderly among us in particular would not be denied the right to live.*
- 3. To pay the institutional investors*
- 4. To provide a double payment programme for those policyholders who hold \$75,000.00 and above.*

We have had tremendous success so far. In terms of Parliamentary accountability, we have said only what needed to be said because business confidence is not about what you say but it's about what you do. This is a turning point for financial institutions in Trinidad and Tobago.

## *On-going Work*

We are yet to complete the legal work, which would put in place the CLICO Trust Company and allow those who have 11-20 years bonds to trade them (with the CLICO Trust Company). This was the solution for providing some cash, providing some shares and providing some bonds. What we have devised here in Trinidad and Tobago through the collective efforts of many has been applauded in many parts of the world. Various representatives from world banking and insurance institutions congratulated

Trinidad and Tobago with healthy handshakes for weathering the storm so well.

This did not happen purely on the basis of the policies that were implemented. In the final analysis, policies can only work if the right people are behind them. The right policy with the wrong people would be doomed for failure but the right policy with the right people you cannot go wrong.

### ***CLICO Staff Effort & Appreciation***

You- the staff, the workers- somewhere in your heart you knew that life would repay you. And although many of you have gone through major personal financial strain and found that your career was on the line, you persevered in the name of CLICO and in the name of Trinidad and Tobago and for that I applaud you.

Two years ago, many of you asked- “What does the future have in store?” While we did not have the answer, we did know that people had faith in the professionalism upon which the enterprise was built. The staff, the management team of CLICO played a critical role and must be congratulated for standing the ground, for staying the course, and for that, many thanks on behalf of Trinidad and Tobago.

### ***Lesson Learnt***

We will learn from the mistakes of the past and we will ensure that the balance sheet of the “new CLICO” is transparent. We will also ensure that there is compliance to the regulations that have been put in place and will

encourage others to travel this route as well in this new global environment. Banking and Insurance companies have been tackling this new environment for some time.

When the world financial crisis took place in 2008/2009, it was then we learnt of the crisis in the private sector. Soon it was recognized that this was only the tip of the ice-burg and knew that the global financial crisis was beyond a private sector problem. It was a public sector problem. It also became a problem for the entire economy and Caribbean region.

We cannot be blinded by the potential challenges posed by a very turbulent global financial world. People cannot be concerned about being just a local company with the potential borders of Trinidad and Tobago and indeed by extension the Caribbean. We too are working with our Caribbean neighbours to help solve or at least partially solve the problems that resulted because of CLICO. But more important than that is that now we will have to educate the population of the highly global competitive economy in an interconnected world where money has no sense of sovereignty.

Let me close by saying how pleased I am to speak to you for the first time as a group and to address some of the same staff members and agents who would have visited me at my office in Port of Spain or at the constituency office in Tunapuna. I hope that the daily efforts that you have made and have provided CLICO with over the past years can be doubled or even tripled so that we can survive the challenges ahead.