



Ministry of Finance and Planning Circular

2002 March 18

File No.: 107/166

DIVISION: PUBLIC EXPENDITURE POLICY COORDINATION

Permanent Secretaries
Heads of Departments
Heads of Agencies and other Public Bodies

No.2 Public Sector Procurement of Insurance Services

Following on the September 11, 2001 attacks on the United States of America, which is expected to result in substantial payouts by insurers and reinsurers worldwide, the local general insurance industry continues to experience significant difficulties in securing quotations on the global market in order to satisfy the requirements of the Government of Jamaica.

Additionally, following on the recent comprehensive reform of the public sector procurement system and pursuant to the over-arching policy objective of value for money in procurement, the Cabinet in its Decision No. 5/02, dated 2002 February 11, has directed the following:

1. The procurement of insurance services shall be suspended for a period of one (1) calendar year, commencing 2002 January 01. Simultaneously, procuring entities shall seek extensions of coverage with existing brokers/insurers for the relevant period.
2. The procurement of insurance services shall, effective 2002 April 01, be included in the scope and coverage of governing documentation for the general public sector procurement system. Relevant procedures are found in the **Handbook of Public Sector Procurement Procedures** under Section 5 entitled "*Other Services*." Consequently, all previous directives, guidelines and procedures issued with respect to the procurement of insurance services are hereby rescinded.
3. The procurement of consulting actuaries for the purpose of assessing tenders for the provision of insurance services shall be governed by the use of competitive procedures.

Permanent Secretaries, Heads of Departments and other Public Bodies are advised to ensure that this policy directive is disseminated to the relevant personnel for insertion into the Public Sector Procurement [binder of] Governing Documentation under the section labeled *Directives*. Your compliance is anticipated.

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Financial Secretary

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