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IPSAS 39

Actuarial Valuation Report as at December 31, 2021

Post Retirement Healthcare Program

Cayman Islands Government

13 April 2022

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Section 1

Report highlights

Mercer has prepared this report for the Cayman Islands Government ("CIG") to (i) present actuarial estimates of liabilities as at December 31, 2021 for the Post Retirement Healthcare Program ("the Plan"), to be incorporated, as CIG deems appropriate, in the financial statements prepared under International Public Sector Accounting Standard 39 ("IPSAS 39").

All figures in this report are expressed in Caymanian dollars, unless otherwise stated.

Please see Section 3 of this report for further explanation as to the purposes and limitations of this report.

Summary of results

Below are highlights of the results as at December 31, 2021 compared to the corresponding figures as at December 31, 2020.

	Fiscal year ending December 31, 2021	Fiscal year ending December 31, 2020
P&L charge/(credit)	$185,583,000	$184,481,000
Other comprehensive (income)/loss	($306,645,000)	($34,858,000)
Defined benefit cost	**($121,062,000)**	**$149,623,000**
Benefit obligation	$2,218,135,000	$2,387,794,000
Fair value of assets	$0	$0
Net liability/(asset) at the end of the year	**$2,218,135,000**	**$2,387,794,000**
Discount rate at year-end	2.95%	2.70%
Assumed health care trend rates at year-end		
Immediate trend rate	5.33%	5.00%
Ultimate trend rate	4.00%	5.00%
Year rate reaches ultimate trend rate	2045	N/A

The defined benefit cost for the fiscal year ending December 31, 2021 includes no charges/credits due to special events.

We have not been notified by CIG nor are we aware of any events subsequent to December 31, 2021, which in our opinion would have a material impact on the results of the valuation.

Changes in plan provisions

There were no changes in plan provisions since the previous reporting period. The plan provisions are summarized in Appendix D.

Changes in actuarial assumptions

The actuarial assumptions changed since the last actuarial valuation as at December 31, 2020. Details are shown in Appendix B.

Changes in actuarial methods

There have been no changes to the actuarial methods or accounting policies since the prior valuation. Details are shown in Appendix C.

Changes in data

There have been no changes to the participant data since the prior actuarial valuation as at December 31, 2020. The participant data is summarized in Appendix E.

To our knowledge there have been no other changes since the prior valuation that will affect the valuation results. Details of the disclosure information are shown in Appendix A.

Please refer to the remainder of the report for more information about these summary numbers.

Section 2

Basis of valuation

Plan data

To prepare this report Mercer has used and relied on premium and claims data submitted by CINICO without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

Mercer has also used and relied on participant data as supplied by CIG. The participant data is summarized in Appendix E and certified by CIG in Appendix G.

CIG is responsible for ensuring that such participant data provides an accurate description of all persons who are participants under the terms of the Plan or otherwise entitled to benefits that is sufficiently comprehensive and accurate for the purposes of this report. If the data supplied are not sufficiently comprehensive and accurate for the purposes of this report, the valuation results may differ significantly from the results that would be obtained with such data; this may require a later revision of this report. We have applied tests for internal consistency. These tests were applied to basic information (date of birth, date of hire, date of membership, gender, etc.).

Actuarial assumptions

To prepare the valuation report, assumptions are used in a forward looking financial and demographic model to present a single scenario from a wide range of possibilities; the results based on that single scenario are included in the valuation. The future is uncertain and the Plan's actual experience will differ from those assumptions; these differences may be significant or material because these results are very sensitive to the assumptions made and, in some cases, to the interaction between the assumptions.

Different assumptions or scenarios within the range of possibilities may also be reasonable and results based on those assumptions would be different. As a result of the uncertainty inherent in a forward looking projection over a very long period of time, no one projection is uniquely 'correct' and many alternative projections of the future could also be regarded as reasonable. Two different actuaries could, quite reasonably, arrive at different results based on the same data and different views of the future. A 'sensitivity analysis' shows the degree to which results would be different if you substitute alternative assumptions within the range of possibilities for those utilized in this report.

An indication of the sensitivity of the results to changes in the most material assumptions is included in Appendix A. At CIG's request, Mercer is available to perform additional sensitivity or scenario analysis.

Assumptions may also be changed from one valuation to the next because of changes in mandated requirements, plan experience, changes in expectations about the future and other factors. A change in assumptions is not an indication that prior assumptions were unreasonable when made.

Actuarial methods

A valuation report is only a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a plan's future financial condition or its ability to pay benefits in the future and does not provide any guarantee of future financial soundness of a plan. Over time, a plan's total cost will depend on a number of factors, including the amount of benefits a plan pays, the number of people paid benefits, the period of time over which benefits are paid and plan expenses to pay benefits. These amounts and other variables are uncertain and unknowable at the valuation date.

Because modelling all aspects of a situation is not possible or practical, we may use summary information, estimates, or simplifications of estimates to facilitate the modelling of future events in an efficient and cost-effective manner. We may also exclude factors or data that, if used, in our judgment, would not have significantly affected our results. Use of such simplifying techniques does not, in our judgment, affect the reasonableness of valuation results for a plan.

Valuations do not affect the ultimate cost of a plan, only the timing of when benefit costs are recognized. Cost recognition occurs over time. If the costs recognized over a period of years are lower or higher than necessary, for whatever reason, normal and expected practice is to adjust future expense levels with a view to recognizing the entire cost of a plan over time.

As instructed, Mercer has prepared the accounting disclosures in this report based on CIG's accounting policies.

A summary of the actuarial methods, accounting policies and valuation procedures is provided in Appendix C.

Plan provisions

Mercer has used and relied on the plan documents, including amendments, and interpretations of plan provisions, supplied by CIG as summarized in Appendix D. CIG is solely responsible for the validity, accuracy and comprehensiveness of this information. If any plan provisions supplied are not accurate and complete, the valuation results may differ significantly from the results that would be obtained with accurate and complete information. Moreover, plan documents may be subject to different interpretations, each of which could be reasonable, and the results under each of the different interpretations could vary.

The results of the valuations set forth in this report reflect the contractual provisions of the Plan as at the dates of the valuations and extrapolations as reported to us by the management of CIG (“Management”).

Section 3

Notices and statement of opinion

Mercer has prepared this report exclusively for CIG; subject to this limitation, CIG may direct that this report be provided to its auditors in connection with the audit of its financial statements. Mercer is not responsible for use of this report by any other party.

The only purpose of this report is to present actuarial estimates of liabilities as at December 31, 2021 for the Plan to be incorporated, as CIG deems appropriate, in the financial statements prepared under International Public Sector Accounting Standard 39 ("IPSAS 39").

This report may not be used for any other purpose. Mercer is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission.

All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used or relied upon without reference to the report as a whole.

Decisions about benefit changes, granting new benefits, benefit security and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic and societal factors.

CIG is ultimately responsible for selecting the Plan's accounting policies, methods and assumptions. This information is referenced or described in Section 2 of this report. CIG is solely responsible for communicating to Mercer any changes required to those policies, methods and assumptions.

Mercer is providing the valuation report in its capacity as actuary and as such, the report is not a substitute for advice from an accountant or lawyer. Mercer is not a law firm, and the analysis presented in this report is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this report.

The calculations have been made in accordance with our understanding of applicable laws and regulations.

CIG should notify Mercer promptly after receipt of this valuation report if CIG disagrees with anything contained herein or is aware of any information that would affect the results of this report that has not been communicated to Mercer or incorporated therein. The valuation report will be deemed final and acceptable to CIG unless CIG promptly provides such notice to Mercer.

Statement of opinion

The preparers of the financial statements have selected the assumptions and methods used in the valuations of the plan obligations and determination of plan costs. The assumptions are Management's best estimate assumptions, selected for accounting purposes, in accordance with IPSAS 39.

In our opinion, for the purposes of the valuations:

- The participant data on which the valuations are based are sufficient and reliable.
- The assumptions are appropriate.
- The calculations have been made in accordance with our understanding of the requirements of IPSAS 39, reflecting application of CIG's accounting policies described in this report.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Respectfully submitted,



Laura Fazzari
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

25 May 2022

Date



Brad Micak
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

25 May 2022

Date

Appendix A
Disclosure information

Financial year ending on	12/31/2021	12/31/2020
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	2,387,794,000	2,274,298,000
2. Service cost		
a. Current service cost	128,750,000	109,019,000
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
3. Interest expense	56,833,000	75,462,000
4. Cash flows		
a. Benefit payments from plan assets	-	-
b. Benefit payments from employer	(48,597,000)	(36,127,000)
5. Other significant events		
a. Increase (decrease) due to effect of any business combinations / divestitures / transfers	-	-
b. Increase (decrease) due to plan combinations	-	-
6. Remeasurements		
a. Effect of changes in demographic assumptions	3,139,000	(409,775,000)
b. Effect of changes in financial assumptions	(328,047,000)	417,043,000
c. Effect of experience adjustments	18,263,000	(42,126,000)
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	**2,218,135,000**	**2,387,794,000**

Financial year ending on	12/31/2021	12/31/2020
B. Change in fair value of plan assets		
1. Fair value of plan assets at end of prior year	-	-
2. Interest income	-	-
3. Cash flows		
a. Total employer contributions		
(i) Employer contributions	-	-
(ii) Employer direct benefit payments	48,597,000	36,127,000
(iii) Employer direct settlement payments	-	-
b. Participant contributions	-	-
c. Benefit payments from plan assets	-	-
d. Benefit payments from employer	(48,597,000)	(36,127,000)
e. Settlement pyments from plan assets	-	-
f. Settelement payments from employer	-	-
4. Other significant events		
5. Remeasurements		
a. Return on plan assets (excluding interest income)	-	-
6. Effect of changes in foreign exchange rates	-	-
7. Fair value of plan assets at end of year	**-**	**-**
C. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	2,218,135,000	2,387,794,000
2. Fair value of plan assets	-	-
3. Funded status	**2,218,135,000**	**2,387,794,000**
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability (asset)	**2,218,135,000**	**2,387,794,000**

Financial year ending on	12/31/2021	12/31/2020
D. Components of defined benefit cost		
1. Service cost		
a. Current service cost	128,750,000	109,019,000
b. Reimbursement service cost	-	-
c. Past Service Cost		
d. (Gain) / Loss on settlements	-	-
e. Total service cost	**128,750,000**	**109,019,000**
2. Net interest cost		
a. Interest expense on DBO	56,833,000	75,462,000
b. Interest (income) on plan assets	-	-
c. Total net interest cost	**56,833,000**	**75,462,000**
3. Remeasurements of Other Long Term Benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DBO)	-	-
5. Defined benefit cost included in P&L	**185,583,000**	**184,481,000**
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	3,139,000	(409,775,000)
b. Effect of changes in financial assumptions	(328,047,000)	417,043,000
c. Effect of experience adjustments	18,263,000	(42,126,000)
d. (Return) on plan assets (excluding interest income	-	-
e. Total remeasurements included in OCI	**(306,645,000)**	**(34,858,000)**
7. Total defined benefit cost recognized in P&L and OCI	**(121,062,000)**	**149,623,000**

Financial year ending on	12/31/2021	12/31/2020
E. Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	2,387,794,000	2,274,298,000
2. Defined benefit cost included in P&L	185,583,000	184,481,000
3. Total remeasurements included in OCI	(306,645,000)	(34,858,000)
4. Other significant events		
5. Cash flows		
a. Employer contributions	-	-
b. Employer direct benefit payments	(48,597,000)	(36,127,000)
c. Employer direct settlement payments	-	-
6. Credit to reimbursements		
7. Effect of changes in foreign exchange rates	-	-
8. Net defined benefit liability (asset) as of end of year	**2,218,135,000**	**2,387,794,000**
F. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	1,185,903,000	1,319,239,000
b. Vested deferreds	-	-
c. Retirees	1,032,232,000	1,068,555,000
d. Total	**2,218,135,000**	**2,387,794,000**

Financial year ending on	12/31/2021	12/31/2020
G. Significant actuarial assumptions		
Weighted-average assumptions to determine defined benefit obligation		
Effective discount rate for defined benefit obligation	2.95%	2.70%
Health care cost trend rates		
Immediate trend rate	5.33%	5.00%
Ultimate trend rate	4.00%	5.00%
Year rate reaches ultimate trend rate	2045	N/A
Mortality assumption	RP-2014 projected with MP-2021	RP-2014 projected with MP-2020
Weighted-average assumptions to determine defined benefit cost		
Effective discount rate for defined benefit obligation	2.70%	3.60%
Effective rate for net interest cost	2.40%	3.35%
Effective discount rate for service cost	2.75%	3.70%
Effective rate for interest on service cost	2.75%	3.65%
Health care cost trend rates		
Immediate trend rate	5.00%	5.00%
Ultimate trend rate	5.00%	5.00%
Year rate reaches ultimate trend rate	N/A	N/A
Mortality assumption	RP-2014 projected with MP-2020	RP-2014 projected with MP-2019
H. Sensitivity analysis		
Change in the defined benefit obligation		
Effective discount rates - 25 basis points	117,599,000	137,380,000
Effective discount rates + 25 basis points	(109,463,000)	(127,294,000)
Health care cost trend rates - 100 basis points	(386,122,000)	(442,907,000)
Health care cost trend rates + 100 basis points	501,747,000	583,958,000
Mortality assumption + 10	(98,717,000)	(118,211,000)

Financial year ending on	12/31/2021	12/31/2020
I. Expected cash flows for following year		
1. Expected employer contributions	42,048,000	
2. Expected contributions to reimbursement rights	-	
3. Expected total benefit payments		
Year 1	42,048,000	
Year 2	45,052,000	
Year 3	48,175,000	
Year 4	51,537,000	
Year 5	55,060,000	
Next 5 years	335,221,000	

Appendix B

Actuarial assumptions

The assumptions as at the reporting date are used to determine the present value of the defined benefit obligation (DBO) at that date and the defined benefit cost for the following year. We have used actuarial assumptions selected by CIG. The principal financial and demographic assumptions used at December 31, 2021 and December 31, 2020 are shown in the table below.

Economic Assumptions	Post Retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Discount rate for benefit obligations (p.a.)		Per ISPSA39 para. 88 and IAS 19 para. 83, determined by reference to market yields on high quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year end date. Mercer US Above Mean Yield Curve (referencing US corporate bond yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
• December 31, 2020	2.70%	
• December 31, 2021	2.95%	
Discount rate for following year's current service cost (p.a.)		
• December 31, 2020	2.75%	
• December 31, 2021	2.95%	
Administrative expenses	Included in projected premiums	
Rate of Medical Inflation used to determine December 31, 2020 benefit obligation (p.a.)	5.00%	Based on an analysis of historical claims information and long-term medical inflation expectations.
Rate of Inflation used to determine December 31, 2021 benefit obligation (p.a.)	5.33% in 2021 grading down to 4.00% in and after 2045 for healthcare costs 4.00% per annum for dental costs	Based on Mercer U.S. November 2021 Retiree Medical Trend Model

<table>
<tr><th>Demographic Assumptions</th><th>Post Retirement Healthcare</th><th>Basis of Development - Accounting Specific Assumptions</th></tr>
<tr><td>Current mortality rates</td><td>RP-2014 Mortality Table scaled back to 2006 using MP-2014</td><td>Recent mortality studies in the U.S. and Canada show that people are living longer. New mortality tables have been issued by U.S. and Canada. The mortality table has been updated to better reflect actual mortality improvement rates experienced in the US over the last 20 years.</td></tr>
<tr><td>Mortality improvements
• December 31, 2020
• December 31, 2021</td><td>
Scale MP-2020
Scale MP-2021</td><td>Broad consensus amongst longevity experts that mortality improvement will continue in the future. Scale MP-2014 was released October 2014. In the U.S., the latest future mortality improvement scale updated issued by the Society of Actuaries is Scale MP-2021.</td></tr>
<tr><td>Turnover rates</td><td><table><tr><th colspan="3">Rate</th></tr><tr><th>Age</th><th>Male</th><th>Female</th></tr><tr><td></td><td>7.5%</td><td>12.5%</td></tr><tr><td>20-24</td><td>5.0%</td><td>12.5%</td></tr><tr><td>25-29</td><td>3.5%</td><td>7.5%</td></tr><tr><td>30-34</td><td>2.5%</td><td>4.5%</td></tr><tr><td>35-39</td><td>1.5%</td><td>2.5%</td></tr><tr><td>40-44</td><td>0.5%</td><td>0.5%</td></tr><tr><td>45-49</td><td>0.0%</td><td>0.0%</td></tr></table></td><td></td></tr>
<tr><td>Disability rates</td><td>None</td><td></td></tr>
</table>

Demographic Assumptions	Post Retirement Healthcare	Basis of Development - Accounting Specific Assumptions
Retirement rate assumption	**Age** / **Rate** < 50 / 0.0% 55-59 / 8.0% 60-64 / 15% 65 / 100.0%	Prior assumption was based on 2017 Experience study. The 2017 experience study on the PSPB actual retirement data over the period 2011 to 2016 was updated in 2020. This was to take into account the observable experience in the last 3 years following the change in the normal retirement age from 60 to 65.
Marital assumption	80% married, wife 3 years younger	
Current healthcare claims cost assumption[1] • December 31, 2020	Health - $12,230 per participant Dental - $200 per participant	Based on actual CIG pensioner claims experience from January 1, 2018 to December 31, 2019, in 2021 dollars adjusted to age 65 using prior aging assumptions.
• December 31, 2021	Health - $12,440 per participant Dental - $200 per participant	Based on actual CIG pensioner claims experience from January 1, 2018 to December 31, 2019, in 2021 dollars adjusted to age 65 using current aging assumptions.
Healthcare coverage - future pensioners	Male - 27% single, 73% family Female - 50% single, 50% family	
Utilization differences due to age used to determine December 31, 2020 benefit obligation	Prior Mercer standard healthcare aging assumptions for medical and dental	Based on analysis of healthcare utilization for Mercer clients in Canada and US and by reference to Society of Actuaries studies.
Utilization differences due to age used to determine December 31, 2021 benefit obligation	Current Mercer standard healthcare aging assumptions for medical and dental	Based on updated analysis of healthcare utilization for Mercer clients in US

[1] At 31 March 2020 (mid-point of valuation year)

Appendix C
Actuarial methods

Benefit obligations are estimated using the Projected Unit Credit method. Under this method each participant's benefits under the Plan are attributed to years of service, taking into consideration projection of benefit costs. Thus, the estimated total benefit to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A description of the calculation follows:

- An individual's estimated accrued benefit for valuation purposes is the projected benefit at the full eligibility date, or current age if later, multiplied by the ratio of service at the valuation date over service at the full eligibility date. Service for this purpose is measured from 10 years prior to full eligibility. The full eligibility date for the Plan is the minimum of age 50 with 10 years of continuous service.
- The benefit attributed to an individual's service during a plan year is the excess of the attributed benefit for valuation purposes at the end of the plan year over the attributed benefit for valuation purposes at the beginning of the plan year. Both attributed benefits are estimated from the same projections to the various anticipated retirement dates.
- An individual's estimated benefit obligation is the present value of the attributed benefit for valuation purposes at the beginning of the plan year, and the service cost is the present value of the benefit attributed to the year of service in the plan year.

In all cases, the benefit obligation is the total present value of the individuals' attributed benefits for valuation purposes at the measurement date, and the service cost is the total present value of the individuals' benefits attributable to service during the year.

Valuation Procedures

The following approximations have been made in applying this method:

- The benefit obligations have been rolled-forward from the corresponding valuation for accounting purposes as at 30 September 2020 to the year end measurement date allowing for interest on the liabilities, the accrual of further benefits by active members, the expected benefits paid out and an estimate of the effect of any changes in the actuarial assumptions. We have assumed that

all other experience during the projection, apart from benefit payments, has been in line with the assumptions made at the start of the year.

Accounting Policies

The accounting policies in cases where CIG has a choice of policy are set out below.

There have been no changes to the accounting methods or accounting policies since the prior valuation.

Materiality threshold: CIG has not instructed us to make any adjustments to the valuation procedures described in order to satisfy its materiality threshold.

Defined benefit cost measurement: The defined benefit cost charged to profit or loss is determined at the end of each reporting period using actuarial assumptions fixed at the start of the period but adjusted to allow for actual contributions and benefit payments made during the period. It is only updated to allow for subsequent experience in the event of material changes. The service cost and interest cost components are determined using the full yield curve approach, whereby the discount rate used to calculated the service cost is determined using service cost cash flows, and the interest cost is calculated by applying spot rates to projected cash flows.

Discretionary benefits: No allowance is made in the benefit obligation for discretionary benefits on the grounds that there is no constructive obligation to provide such benefits. Therefore any benefit increases that are awarded on a discretionary basis are accounted for as a past service cost.

Significant events: No significant events have occurred during the reporting period that require accounting policy decisions.

Appendix D

Plan provisions

The following is a summary of what we understand to be the most relevant plan provisions for purposes of this report. This broadly reflects the benefits communicated to members via membership booklets, announcements and correspondence outlining special terms where applicable. This summary should not be used for purposes of determining individual plan benefits.

Eligibility	Age 50 with 10 years of continuous service
Deductible	None
Lifetime maximum	$5 million
Widow coverage	Spouse of employees will be provided with the medical and dental benefits until the death of the spouse
Retiree cost sharing	Nil

	In-Network (Health Services Authority)	On-island or overseas		
		Without referral	With referral, in-network	With referral, out of network
Hospital Services				
Room and board	100% of the semi-private room rate	No Coverage	100% of the semi-private room rate	90% of the semi-private room rate
Skilled Nursing Facility	100% of the facility's semi-private room rate	No Coverage	100% of the facility's semi-private room rate	90% of the facility's semi-private room rate
Physician Services				
Inpatient visits	100%	No Coverage	100%	90%
Office visits	100%	No Coverage	100%	90%
Surgery	100%	No Coverage	100%	90%
Allergy testing	100%	No Coverage	100%	90%
Allergy serum & injections	100%	No Coverage	100%	90%
Home Health Care	$6,000 maximum per month, in accordance with approved Home Health Care Plan			
Prescription Drugs	100%	No Coverage	100%	90%
Ambulance Service (Ground & Air)	100%	No Coverage	100%	90%
Occupational Therapy	100%	No Coverage	100%	90%
Speech Therapy	100%	No Coverage	100%	90%
Physical Therapy	100%	No Coverage	100%	90%
Durable Medical Equipment	100%	No Coverage	100%	90%
Prosthetics	100%	No Coverage	100%	90%

	In-Network (Health Services Authority)	On-island or overseas		
		Without referral	With referral, in-network	With referral, out of network
Orthotics	100%	No Coverage	100%	90%
Spinal Manipulation/ Chiropractic	100% Maximum 20 visits per annum	No Coverage	100% Maximum 20 visits per annum	90% Maximum 20 visits per annum
Mental Disorders				
Inpatient	100%	No Coverage	100%	90%
Partial Hospitalization	100%	No Coverage	100%	90%
Outpatient	100%	No Coverage	100%	90%
Substance Abuse – Inpatient Detoxification Services Only	100%	No Coverage	100%	90%
Preventive Care2				
Routine Well Adult Care	100%	No Coverage	100%	90%
Routine Well Child Care	100%	No Coverage	100%	90%
Immunizations – Children to Adult		No Coverage	100% as ordered by a physician	90% as ordered by a physician
Organ Transplants	100%	No Coverage	100%	90%
Pregnancy	100%	No Coverage	100%	90%
Vision Care Benefits				
Eye examination	1 per 24 months, max $60			

[2] Includes office visits, pap smear, mammogram, prostate screening, gynaecological exam, routine physical examinations, x-rays, laboratory blood tests and immunizations.

	In-Network (Health Services Authority)	On-island or overseas		
		Without referral	With referral, in-network	With referral, out of network
Glasses/contact lenses	One pair per 24 months, max $300			
Dental Care Benefits				
Class A (Preventive and Diagnostic)	100% Routine oral exams 2 full mouth x-rays per 24 months 2 visits/year for scaling/polishing			
Class B (Basic Procedures)	100% Oral surgery Periodontics/Endodontics Extractions Fillings			
Class C (Major Procedures)	100% Includes crowns			
Class C (Major Procedures)	50% Dentures & orthodontia			

Appendix E
Participant data

The actuarial valuations and extrapolations of the Plan were based on data provided by CIG as at September 30, 2020. Plan participant data are summarized below. For comparison, we have also summarized corresponding data from the previous valuation.

	30.09.2020	30.04.2016
Active Members		
Number	3,936	3,495
Average years of service	11.5 years	12.0 years
Average age	43.7	42.3
Seamen and Veterans		
Number	744	711
Average age	78.2	76.50
Pensioners		
Number	1,364	1,281
Average age	69.3	66.80

Active Members						
	Males		Females		Total	
Coverage Category	Count	Average Age	Count	Average Age	Count	Average Age
Total	**1,781**	**44.1**	**2,155**	**43.3**	**3,936**	**43.7**

Seamen and Veterans						
	Males		Females		Total	
Coverage Category	Count	Average Age	Count	Average Age	Count	Average Age
Single	190	77.5	236	89.4	426	78.5
Couple	289	78.5			289	78.5
Family	20	70.7			20	70.7
Single + Child	5	75.3	4	59.9	9	68.4
Total	**504**	**77.8**	**240**	**79.0**	**744**	**78.2**

Pensioners						
	Males		Females		Total	
Coverage Category	Count	Average Age	Count	Average Age	Count	Average Age
Single	160	70.5	472	71.5	632	71.2
Couple	328	70.0	236	68.6	564	69.4
Family	97	62.4	28	61.4	125	62.2
Single + Child	16	60.5	27	58.6	43	59.3
Total	**601**	**68.7**	**763**	**69.7**	**1,364**	**69.3**

Appendix F
Additional information

Breakdown of defined benefit obligation

	Health	Dental	Total
Retirees	$1,020,269,000	$11,963,000	$1,032,232,000
Actives Fully Eligible	$747,138,000	$8,750,000	$755,888,000
Actives Not Fully Eligible	$425,075,000	$4,940,000	$430,015,000
Total	**$2,192,482,000**	**$25,653,000**	**$2,218,135,000**

Sources of actuarial (gain) and loss

Gains and losses due to:	December 31, 2021
Updated aging assumptions	($8,309,000)
Updated mortality improvement scale	$11,448,000
Updated medical trend rate	($210,448,000)
Updated discount rate	($117,599,000)
Actual benefit payments differing from expected	$9,063,000
Impact from split discount rate methodology	$9,200,000
Total	**($306,645,000)**

Appendix G
Employer certification

With respect to the Actuarial Valuation Report for the fiscal year ending December 31, 2021 under IPSAS 39 of CIG's Post Retirement Healthcare Program, I hereby certify that, to the best of my knowledge and belief:

- The participant data supplied to the actuary provides a complete and accurate description of all persons who are entitled to benefits under the terms of the Plan for service up to the date of the valuation.
- Copies of the official plan documents and of all amendments made up to December 31, 2021 have been supplied to the actuary.
- All constructive obligations (as defined under IPSAS 39) have been communicated to the actuary.
- Accounting policies as adopted by CIG are those described in this report.
- The actuarial methods to be used for the purposes of the valuation are those described in this report.
- The management's best estimate assumptions for purposes of the valuations and the extrapolation of the financial position of the Plan as at December 31, 2021 are those described in this report.
- All events subsequent to the valuation that may have an impact on the results of the valuation or of a future valuation have been communicated to the actuary.

23 MAY 2022
Date

Signed

KENNETH JEFFERSON
Name

FINANCIAL SECRETARY & CHIEF OFFICER
Title MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT
GOVERNMENT OF THE CAYMAN ISLANDS



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