



**MEETING OF THE COMMITTEE OF GIIA  
HELD AT Heritage Hall, Le Marchant Street, St Peter Port, Guernsey on  
Thursday 19 March 2015**

**Minutes & Action Points**

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| <b>1.0 Present:</b><br>Peter Child – Chairman (PC)<br>Paul Sykes (PS)<br>Clair Le Poidevin (CLP)<br>Vanessa Pipe (VP)<br>Steve Hogg (SH)<br>Mark Elliott (ME)<br>Jamie Polson (JP)<br>Lorraine Allen – Permanent Secretary (LA) | <b>Apologies for absence:</b><br>Mike Johns (MJ)<br>Derek Maddison (DM)<br>Clive James (CJ)<br>Ian Drillot (ID)<br>Francis Kehoe (FK) |
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**New Committee Members**

PC introduced new Committee members - Mark Elliott representing Artex Risk and Jamie Polson representing Robus. PC said that as this was a new Committee, he had recently had discussion with MJ, DM and LA about the way the Committee wanted to operate going forward, particularly in terms of the structure. He would pick up on this under a separate agenda item.

**2.0 Minutes of Previous Meeting**

The Minutes of the meeting held on 12 February 2015 were approved and signed by the Chairman as a true and fair copy.

**3.0 Matters Arising**

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| <b>3.1</b> | <b>3.1 Move to online banking</b> – PC confirmed that the online banking application forms had now been signed. <b>Action: LA to return forms to Barclays.</b>   | <b>ID/LA</b> |
| <b>3.2</b> | <b>3.2 Potential for a Guernsey client based event</b> – PC said this item would be discussed later in the meeting.  |              |
| <b>3.3</b> | <b>3.3 Risk Based Solvency Promotional Seminar</b> – Discussion took place with regard to the date and venue of the Seminar which had not yet been confirmed. There was concern that the venue would not be big enough and it was suggested that it could be moved to Les Cotils. <b>Action: PC to talk to the GFSC with regard to moving to a bigger venue.</b> | <b>PC</b>    |

PC said that as DM had taken up the role of Company Secretary, there was now a gap in the GIIA Education role. PC said Simon Rivers at JLT had volunteered to assist with whatever activities they decided to run, but someone from the committee was needed to step into the role of Chair, preferably within the next week or so. Discussion took place regarding how much time the Education role took and CLP expressed interest. **Action: CLP to consider taking up the role of Chair of the Education Committee.** **CLeP**

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| <b>3.4</b> | <b>3.5 Consolidated Law Consultation Update.</b> This issue would be considered under the report from the RaT. |
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- 3.5 **3.7 Think Tank Focus Group Follow Up** – PS said this was on the MDC Agenda. PC suggested that the MDC might want to consider narrowing its focus, and considering whether this follow up remained a priority. **Action: PS to take to MDC** PS
- 3.6 **3.9 Captive Education Half Day** – Action: PC said that as DM is no longer in the Education role, he would pass this on to whoever takes over. PC
- 3.7 **3.10 Annual Dinner** – PS had applied for Man United tickets through AON. Action: MJ is speaking to the OGH re dinner/overnight stay there as an auction prize. MJ
- 3.8 **4.1 ILS Guidance Paper** - PC said that the ILS Guidance Paper had been circulated but there were “some holes in it”. It was currently being reviewed by Nathan Hodder and would be reissued asap. **Action: PC to follow up amendments and re-issue.** PC
- 3.9 **4.1.1 GFSC application turnaround times** – PC – to be discussed under item 5 below.
- 3.10 **5.0 GFSC HK office** – PS/PC this is not currently happening due to budget restraints, however more information would be provided under item 5, below.
- 3.11 **11.1 GIIA Structure**- PC had circulated a GIIA Structure chart at the last meeting. He wanted to set out critically, how GIIA operates and who is responsible for what and to ensure that each committee member is fully aware of what is going on within the committee and sub committees. PC overviewed the structure chart and said that he wanted to ensure that there is a regular cycle of communication and in order to do that he had asked DM to set up a system for chasing up action points for both main and sub committees as well as the provision of timely minutes. **Action: LA to check composition of committees with the Chair people. Action DM to set up system for chasing action points.** LA  
DM
- PC said that by the next Committee meeting, we should have reports from all the sub committees and this forum would be used for discussion of main issues so that GIIA can be a representative body for the Industry. **Action: PC undertook to contact the chairs of the various committees & sub committees to request that they provide reports in good time for the main Committee meetings.** PC
- PC said that if a company is not represented on the Committees then they should think about having a representative, to ensure inclusivity. One of the things that GIIA has not yet managed to achieve is a consistent level of communication with membership. This would be discussed further under a separate agenda item.
- 4 **GIIA Committee Reports**
- 4.1 **Marketing Development Committee** – PS said there were minutes of the last meeting of 3 February to be circulated. There were 12/18 action points including the Reinsurance Sub Committee which was an idea that came out of Guernsey Finance but he has not come up with a list of the names. There are certain work streams that could be done which would benefit that sector. John Beck (XL) was keen on the idea but he has now gone silent. PC suggested that PS could get together with ME and JP to see if they could take this up. PC said he is conscious of the vision of Guernsey becoming the world's leading offshore insurance centre in 5 years' time, and without a commercial reinsurance sector, it would not be. PC said we probably need to involve Dominic Wheatley. PC said he had been called to a meeting at GFSC next Friday with Dominic Wheatley, William Mason, Jeremy Quick and Caroline Bradley to talk about the NAIC accreditation for reinsurers. The GFSC is currently unsure of the and value of Guernsey seeking NAIC accreditation. **Action PS to circulate minutes of MDC Meeting.** PS  
**Action: PC to liaise with ME & JP re building up a picture of Guernsey's current attractiveness to reinsurance capital.** PC

- 4.1.1 **ILS Sub Committee** – issues arising from this committee had been covered under matters arising.
- 4.1.2 **Reinsurance Sub Committee** - Covered under 4.1.
- 4.1.3 **Conference Sub Committee** – there was no further information from the reinsurance sub-committee. **Action: SH to take up & report back.** SH
- 4.2 **Regulatory & Technical Committee** - PC reported that there are currently weekly meetings being organised by GIBA to address the Consolidation of Laws project. David Riley is attending those on behalf of GIIA and would be reporting to members in the event that there was anything to material to communicate.
- PC stated that the GFSC had shut the door on any new ILS legislation being part of the consolidation project. **Action: PC to chase with Mark Helyar to ascertain what is happening with drafting that piece of legislation, and to draw up contractual terms of engagement** PC
- CLP asked if there was any update with the new insurance regulation with the GFSC. PC said the timetable for introduction remained unchanged, with the final draft of the solvency rules due within a week.
- 4.2.1 **Accounting Group** – VP said they were 70/30 or 80/20 in agreement on some of the wording for the update to Companies Law, so although they are not continuing the meetings, she is keeping everyone up to date.
- 4.3 **Education Committee** – no report.
5. **Communication with the GFSC.** PC had circulated a list of bullet pointed items, copied below:
- 5.1 **Authorisations**
- New Unit to be headed up by John Dunford
  - Will develop into a fully-fledged Division with delegated authority & decision making powers
  - Will be 11 staff
  - Was one of the E&Y efficiency recommendations – theory is that specialisation in process will lead to greater expertise & greater efficiency
  - Will deal with: applications, surrenders, changes of controls, PQs, all notifications
  - Workflow analysis suggests that this type of work emanating from the insurance sector will require 2 & a bit FTEs
  - Karen Brooks & Dan Le Page will be moving from Banking & Insurance Division
  - Bkg & Insurance Division will continue to do day-to-day on line regulation, including thematic visits
  - Insurance specialists in B&I Division will be Caroline, Tracy & John
  - Licensees primary interface with Commission is expected to be the Authorisations Unit
  - SLAs will be transferred from the B&I Div to Auth Unit
  - Staged migration from 16 March with Unit fully operational by June 2015
  - Potential to converge fast track application process across all sectors
- 5.2 **Hong Kong**
- The GFSC cannot fund a Hong Kong office from any surplus
  - Investment & Fiduciary sectors & Commerce & Employment keen to see office go ahead
  - If it does go ahead will be 2 year trial, and if business is forthcoming, then it will continue
  - GFSC quite bullish about prospects for Chinese HNW business migrating from Cayman to Guernsey if Guernsey has a regulatory presence in HK
  - See Fees section

- 5.3 **Fees**
- This is not formal consultation at this point, rather views are sought from sector representative bodies on the proposal. PC to report back via GIBA on 21 April.
  - The GFSC cannot fund the Hong Kong office at present. At the moment there are a lot of high net worth individuals who have Cayman holding companies and Guernsey would be in an ideal position to take on the business, if it is able to have a regulatory process in China, so there is potential there. PC said China is still a long way from allowing captives to be set up outside the Country. Even if in 5/10 years' time China opens up, there is no guarantee that Guernsey would be their choice.
  - GFSC Fees for next year will be 2% inflationary and a further 1.5% to fund the incorporation of a Hong Kong office. GIBA has been asked for its initial comments. PC said his personal view is that though there might be no immediate benefit to the insurance industry from a GFSC presence in Hong Kong, the insurance sector is not an island unto itself, and should consider the wider development of the island as well as its own narrower interests. He also reminded the Committee that the GFSC had stated in the past that the regulatory cost of the insurance sector had been subsidised by investment business for a number of years. He would therefore support the GFSC's proposal. **Action – All committee members to provide feedback to PC prior to 21 April** **ALL**
- 5.4 **New Business Responses**
- GFSC is adamant that their response remains good, and has data to back this up
  - Any perceived slowness will be down to quality of submission
  - Individual managers should take this up with the Commission directly
- 5.5 **GFSC Review of new business take-on procedures**
- Paul Wakefield & John Copeland
  - Thematic visits over 2 week period
  - Expected to be finalised by end of June 2015
  - Insurance managers and insurance managed business viewed as low risk by GFSC, therefore no more rolling visits – thematic visits concentrating on high risk areas are the future
- 5.6 **Online Submissions**
- PQ issues for individuals with large number of appointments should have been resolved
  - On line submissions are being tested
  - Still aiming for online returns to be phased in during 2015
- 5.7 **Financial Crime Returns**
- GFSC will be seeking data in H2 2015 re things like the number of introducer relationships, high risk relationships, STRs, PEPs etc each licensee has
  - This data should be useful for Moneyval & ongoing supervision
  - GFSC will liaise with RaT
- 5.8 **Moneyval**
- Report is coming through by drip feed
  - Has meant delay to update on AML/CFT handbook – now out to September 2015
6. **Treasurer's Report – no report.**
7. **GIBA update.** PC said (for the benefit of the new Committee members) that GIBA issues summary minutes which LA circulates. PC will select relevant items to be discussed at this forum. PC said that a lot of the correspondence and topics that comes out of GIBA is not relevant to insurance because insurance is not dealing with high net worth individuals' business. He said he did not intend to

respond on items that were not relevant to insurance, but if anyone felt strongly that this is not the right thing to do, please advise. SH said if one particular organisation feels they want to do something it is up to them.

8. **Membership Communication.** PC said that part of the cycle of activity that DM is going to oversee is the issue of a bi monthly update so something is sent out on a regular basis. Press releases, external communications at AGM, agency PR etc. may all be included and we will come up with a brief once we have had a chance to look at internal communications. **Action: If anyone would like to be involved, please let PC know.** ALL

9. **Any Other Business**

**Annual Dinner**

LA advised that the dinner is fully booked. PC advised that this year's theme at the dinner (as there is a new committee and chairman) would be the aspirations of GIIA with a photo of each of the people undertaking activities for GIIA. **Action Point: All committee members to provide LA with a photo asap please.** ALL

**Sandwiches**

PC asked whether the Association should cover future costs of sandwiches. It was **agreed** that the Association should fund the cost of sandwiches at Committee Meetings.

There being no further business, the meeting ended at 1.30 pm.

**The next meeting of the GIIA Committee will take place on Thursday 21<sup>st</sup> May at Heritage Hall.**

Chairman

Date