



**MEETING OF THE COMMITTEE OF GIIA  
HELD AT Heritage Hall, Le Marchant Street, St Peter Port, Guernsey on  
Thursday 17<sup>th</sup> September 2015**

**Minutes & Action Points**

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| <b>1.0</b> | <p><b>Present:</b><br/>Peter Child – Chairman (PC)<br/>Mike Johns – Deputy Chairman (MJ)<br/>Ian Drillot – Treasurer (ID)<br/>Derek Maddison – Company Sec (DM)<br/>Paul Sykes (PS)<br/>Clive James (CJ)<br/>Vanessa Pipe (VP)<br/>Clair Le Poidevin (CLeP)<br/>Steve Hogg (SH)<br/>Francis Kehoe (FK)<br/>Mark Elliott (ME)<br/>Jamie Polson (JP)<br/>Lorraine Allen – Permanent Sec (LA)<br/>James Travers – Guernsey Finance</p>   | <p><b>Apologies for absence:</b><br/>Richard Bates (RB)</p> |  |
| <b>2.0</b> | <p><b>Minutes of Previous Meeting</b></p> <p>The Minutes of the meeting held on 15<sup>th</sup> July were approved with one amendment to item 5.2 and signed by the Chairman as a true record.</p>  |   |  |
| <b>3.0</b> | <p><b>Matters Arising</b></p> <p><b>5.1 Marketing Development Committee</b> – PC advised that he had not yet held the meeting with regard to reconstituting the MDC and various sub committees, due to various people being on summer holidays, but would be arranging that in the next week or so. <b>Action PC to arrange meeting.</b></p> <p><b>5.1.2 Reinsurance Sub Committee</b> – referred to NAIC accreditation for Guernsey to work with the GFSC and sponsoring reinsurers trying to achieve NAIC accreditation. PC said that he had exchanged emails with MJ and Jupiter was probably not an appropriate reinsurance sponsor, although Kelvin Re may be. Action: <b>PC to continue to drive this forward with the sub committees.</b></p> <p><b>5.1.3 Conference Sub Committee</b> – to be covered under separate agenda item.</p> <p><b>5.2 Diverted Profit Tax</b> – emails had been exchanged with Deloitte and they had come up with a note that everyone had seen. The main comment from Committee members was that the email had sounded downbeat and PC had gone back to Jo Huxtable asking if it could be reissued with a more positive tone asap. PC said he expected that would be back within a week or two. PC confirmed that GIFA had not been interested in linking up in terms of joint lobbying of C &amp; E and HMRC.</p> <p><b>5.3 Education Committee.</b> PC confirmed IIG had already arranged for David Hertzell to come to Guernsey later this year and present on the new UK insurance law and GIIA will therefore not be organising it.</p> |   | <p><b>PC</b></p> <p><b>PC</b></p> <p><b>PC</b></p> |

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|  | <p>7. <b>Treasurers Report.</b> ID confirmed that Barclays were still considering whether or not they could offer GIIA a better interest rate. <b>Action ID to follow up.</b></p> <p><b>4.0 GIIA Committee Reports</b></p> <p><b>4.1. Market Development Committee</b></p> <p>PC said there had been no specific report.</p> <p><b>4.1.1 ILS Sub Committee</b></p> <p>There was no report from the ILS Sub Committee</p> <p><b>Pensions Longevity Sub Committee</b> – PC confirmed that a Seminar was being held London on 14<sup>th</sup> October for which 140 people have signed up.</p> <p><b>4.1.2 Reinsurance Sub Committee</b></p> <p>No report</p> <p><b>4.1.3 Conference Sub Committee</b></p> <p>CJ advised that he had met with Guernsey Finance and had circulated an email updating the Committee. CJ confirmed that as a result of sending out a flyer to all the GIIA members, GSCCA and Lawyers’, sponsorship offers had been received from Royal London Asset Management, Barclays, BWCI, Bedells, BDO, Heritage and Ogiers. Unfortunately there had been very little feedback from GIIA members and CJ said he would welcome feedback from GIIA members.</p> <p>CJ said he felt there was adequate interest to push ahead with organising the conference with the following recommendations:<br/> Date – 14 March 2016<br/> Budget - £25k<br/> Venue – Potential is ‘etc venues’ at 8 Fenchurch Street which can hold up to 250.<br/> Type of sponsorship – gold, silver and bronze<br/> Configuration – 2 panel sessions and 1 keynote speaker.<br/> <b>The flyer would need to go out in November.</b></p> <p>Items that still needed to be finalised were commitment from GIIA members, Theme, Keynote speaker, 5 panellists for each session, moderators from Guernsey, Media Partners, identifying a conference coordinator – maybe Fiona Murray. PS said that A M Best was still interested in sponsoring the event. <b>Action: PS to send email and copy in CJ.</b> PS confirmed that Aon had waited because there was some discussion about the ILS event in Zurich next year and they had thought the Zurich event was being held at the same time but now knew that is in July. PC said that Artex were waiting to hear what the theme of the conference was before they could consider sponsorship and it would be useful if an agreement could be made as to what the theme was. PC felt that Guernsey’s position needed to be updated and the event should be used as a ‘Guernsey the Next Generation Insurance’ type theme which should not be too captive orientated and we should be continuing to bang the drum on ILS, Pensions longevity, and reinsurance. If something could be done on those lines, PC is sure that Artex would be interested in sponsorship.</p> <p>CJ said the aim was to promote Guernsey and what it can provide in the insurance market in 2016. CJ to send round ideas on themes which he thought should be relatively generic and would welcome suggestions. PC asked what other support would be required. CJ said that a coordinator would be required and Fiona Murray had been suggested. MJ asked whether GF would be making a financial contribution. CJ will check with GF. FK asked CJ whether they were also looking to attract the Life Sector participation as the theme is looking at Guernsey as a centre of excellence for insurance. CJ said the whole idea is as a</p> | <p><b>ID</b></p> <p><b>PS</b></p> |
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|     | <p>replacement for Captive Live, but with more of a Guernsey focus so the Life Sector is key. PC said we would also need to know key messages and speakers. CJ said this would need to be done by the middle of October.</p> <p>PC asked whether there was enough interest around the table to run the event – just to support it. PS said that having just returned from Monte Carlo and seen what Bermuda do in terms of promoting their jurisdiction, Guernsey needed to be doing something to begin to establish a Guernsey ‘brand’. PS said he thought that GF would contribute financially if industry was supportive and the subject was broad enough. He said Dominic Wheatley felt that brokers should be targeted.</p> <p><b>Action CJ to circulate ideas for the theme to the Conference and to check if GF would support financially.</b></p>  | CJ   |
| 4.2 | <p><b>Regulatory and Technical Committee</b></p> <p>David Riley had issued a report which was attached to the Agenda. The Moneyval report will be out within 2/3 weeks’ time.</p> <p>AML Handbook update – DM said he had attended the July meeting. Some Committee members had requested a copy of the draft which was a re-write and which DM had not read in detail, but said that anyone who wished to comment should do so now. PC said that a request had been made that representations were made re the production of an island wide standard certification wording as at present all banks have their own certification wording and it would be beneficial to have a standard wording.</p> <p>GFSC Financial Crime Reporting – PC advised that from 1<sup>st</sup> November the insurance industry is being asked to start submitting financial crime reports. As soon as the Moneyval report is out, there will be more communication from the GFSC but this should not be particularly onerous.</p> <p>The Financial Ombudsman – PC said this was almost up and running. From an insurance view, all non-commercial (re)insurers both general and life are exempt from paying the initial levy and indeed any further annual levy. However, eligible complainants of non-levy paying FSBs would have access to the Ombudsman service and if their complaints were upheld, then the non-levy paying financial services business will pay more in terms of the case fee. A summary guidance document which is insurance industry specific will be issued by the ombudsman shortly.</p> <p>VP reported that the GSCCA was meeting soon to consider auditors’ responsibilities under the IBL. She would update the Committee on the outcome.</p> <p>It was also noted that the RaT was meeting on 22/9 in order to collate industry feedback on the new Solvency Rules.</p> |      |
| 4.3 | <p><b>Education</b></p> <p>CLeP had issued an update which was attached to the Agenda and the course material is currently being reviewed. MJ asked if CLeP could produce a note with some details and contact point for the exam so it could be marketed and possibly placed on the website. <b>Action: CLeP to produce a note/flyer.</b></p>   | CLeP |
| 5.0 | <p><b>Communication with the GFSC</b></p> <p>PC’s report was attached to the Agenda.</p> <p><b>Fee Consultation</b> – PC said the closing date for the consultation was today – 17<sup>th</sup> September. PC had only received one representation in respect of Cat6 ILS fees from Justin Wallen (details attached to the Agenda) and this was about the inequity in charging ILS Cat 6 Cells. MJ &amp; PC met with Jeremy Quick &amp; Caroline Bradley on 9/9 and raised this point. Jeremy Quick stated that there was only room to manoeuvre within a sector’s own regulatory budget, so GIIA could consider whether it wanted to support a fee reduction on Cat6 ILS PCC fees in exchange for an increase to a different part of the insurance sector.</p>  |      |

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|            | <p>PC said that the question for the Committee was whether GIIA wanted to support this particular representation (thus supporting one particular area of fees) or make any other representations. SH questioned how the setup fee compares with other jurisdictions. MJ said that Willis had done a comparison between IOM and Guernsey and IOM was cheaper. FK said that some Life Sector fees have increased 100%. It may be a question of talking about the different fees on a case by case basis and looking at the categories of insurance and seeing if there is a way of differentiating between costs, which may be fairer.</p> <p>Discussion took place as to how GIIA should respond. It was suggested GIIA could point out the Commission's own principles "that fees should always be fair, proportionate and equitably aligned with the cost of supervision", and use the example of the Cat 6 ILS fees to demonstrate that the principle is not being uniformly applied thus putting a marker out as to what is expected in the future. Chances of changing the fees for 2016 at this stage were probably slim as they would have to balance it by changing something elsewhere. A longer term view may well be more beneficial. As the response needed to be in this afternoon, PC agreed to send an email response and copy in the Committee. He asked if everyone agreed that the administrative penalty fees were too small. PC felt they were. GFSC are looking at increasing fees by £25 each month. PC also believed that it was not helpful to distribute surplus penalties back to specific sectors. What business wants is more certainly over a period of time, and he believed that this would be better achieved by retaining any surplus penalties as a fund for future regulatory actions. ID said given the amounts involved he would support keeping it in the general pot. PC will go back and say:</p> <ol style="list-style-type: none"> <li>1. the current fee structure is inequitable</li> <li>2. keep penalties for future funding</li> <li>3. the increase in cell application fee of 18% was too great</li> </ol> <p><b>Action PC to circulate response</b></p> <p><b>Availability of Commission Personnel</b></p> <p>Not only is there the centralisation of services within the GFSC but also people have been leaving, so it seems that Insurance people are less available. Currently the Authorisation Unit is having training on insurance issues. PC has been asked to do some training for the Authorisations Team. GFSC have said that non specific meet &amp; greet meetings will not be as available as they once were and if they can be reduced, that would be good, although they do recognise that some are necessary and beneficial. When a meet &amp; greet is required, they have asked that they are booked well in advance and that an agenda is provided of what is to be discussed.</p> <p><b>Online Submissions</b></p> <p>PC said that quite a few members of GIIA are involved in ongoing testing.</p> | <p>PC</p> <p>LA</p> |
| <p>6.0</p> | <p><b>Treasurer's Report</b></p> <p>ID said that the bank accounts were running well. Cheques had been paid to Bright Tights and The Guernsey Alzheimer's Association in respect of the funds raised at the annual dinner. LA said that an article had appeared in the Press, but with no photo. The Guernsey Alzheimer's Association has been sending emails advising that they are still deciding exactly how they will use the donation and once that has been finalised, LA will organise PR. <b>Action LA to put press articles on the website and follow up with Guernsey Alzheimer's Association.</b></p>   | <p>LA</p>           |

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| 7.0 | <p><b>GIBA Update</b></p> <p><b>GFSC Fees Consultation</b></p> <p>Already discussed.</p> <p><b>Fines</b></p> <p>PC said that GIBA had received a communication from Richard Walker requesting a conversation re setting maximum fine levels. Possibly at GBP4m per firm and BDP1m per individual. PC said this was making it more in line with other jurisdictions. GIBA is dealing with this issue in the first instance.</p> <p>GIBA PR Committee is all about PR for the financial services sector internally within Guernsey. PC asked for a representative to join the PR Committee as they have asked for a member from each industry in the run up to the election next year. <b>PS agreed to represent the Committee.</b></p> <p><b>Air links</b></p> <p>GIBA is going to be represented at the Planning meeting.</p> <p><b>BEPS</b></p> <p>There is a meeting that has been instigated between Industry and Government to consider what if anything Guernsey might do to mitigate this threat. PC had asked if a GIIA representative could attend those meetings and asked if anyone present wanted to attend. <b>PC said he would go along and DM agreed to attend if PC is unavailable.</b></p> <p><b>GTA</b></p> <p>Peter Mills is coming off the Board after a long term and they are seeking a representative to replace him. PC said if anyone knows someone who works in insurance and might be suitable, please advise PC. It is an important role, as there are a lot of considerations around the GTA at present.</p> <p><b>Housing</b></p> <p>PC said GIBA's dialogue with Housing continues. Esther Ingrouille was meant to come to the last GIBA meeting, but will now be attending in October. GIBA is focusing on housing licenses as there has apparently been a string of businesses that have gone to Jersey rather than Guernsey due to the different housing policies. PC said everyone should notify GIBA of incidences where housing policy has hampered business.</p> <p><b>DPT</b></p> <p>Discussed already</p> <p><b>Common Reporting Standards</b></p> <p>PC said this was about transparency between tax authorities. There is an ongoing consultation which closes soon and includes a list of territories where Guernsey is proposing to have a mutually transparent relationship. If anyone has any concerns about the countries on the list, they should make representations to Mr Gray at Income Tax. If anyone feels strongly that GIIA should be taking action they should advise PC.</p> <p><b>Worldcheck</b></p> <p>PC said that Worldcheck rates Guernsey as medium risk as opposed to low risk for Jersey and IOM. GIBA is investigating this.</p> | <p><b>PS</b></p> <p><b>PC/DM</b></p> <p><b>ALL</b></p> <p><b>ALL</b></p> <p><b>ALL</b></p> |
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| 8.0  | <p><b>FSF Update</b></p> <p>PC said there was a meeting on 16 September which he was unable to attend but most was covered at the last meeting. If anyone wants to raise anything they should advise PC.</p>  |       |
| 9.0  | <p><b>Membership Communication</b></p> <p>LA advised that a new newsletter would be launched following the meeting which would focus on key points of the meeting, plus an introduction by PC. Ideas for the first issue included promoting the benefits of GIIA membership. An A4 page was planned. MJ said the Longevity event and conference should be mentioned in this newsletter. PC said it will be monthly and each issue would cover only 3 or 4 topics. At the last meeting we discussed employing Emma Mauger but Jane Livermore of Absolute Marketing is now involved in assisting with editing the newsletter. It will be a good way of communicating with everyone. The new website will also be launched once updates are completed. Jane is charging £600 per issue and this was based on 4 issues per year. It has since been decided to make the newsletter shorter and more frequent but this should not affect the cost.</p>  | LA/PC |
| 10.0 | <p><b>External Communication</b></p> <p>PC said the newsletter will also be used to attract new members.</p>  |       |
| 11.0 | <p><b>Any Other Business</b></p> <p><b>Chris Le Conte</b></p> <p>PS wanted GIIA to consider an initiative in memory of Chris Le Conte. PS was thinking in terms of due recognition to Chris Le Conte, to take the opportunity to recognise his significant contribution to the industry. This would only work if there is some money available to go with the award and £5k would be required. PS said he would be happy to do the fundraising if the Committee supports. PC suggested GIIA contribute £1k. PS said he would put together terms of reference. This would be to encourage young people in the Industry. Discussion took place as to whether this should be a bursary, but it was felt that an award such as a trophy would be more beneficial. <b>Action PS to draft terms of reference.</b></p> <p><b>Guernsey Finance Rebrand</b></p> <p>PC said Guernsey Finance were rebranding with the aim of reflecting Guernsey more as an innovative centre.</p> <p>DM asked if after all the good work that VP did on UK GAAP, was there any interest in having industry pro formas. VP said the decision of the group at the time was that every manager had their own house style and they provided examples of the bits that were going to change. GFSC wanted consistency but getting consensus from all practitioners on a full set of pro forma accounts would be difficult. It had been decided that it would be better to have sample paragraphs and everyone could build those in to their own pro forma accounts.</p> <p>There being no further business, the meeting ended at 13.20.</p> <p>The next meeting of the GIIA Committee will take place on Thursday 19<sup>th</sup> November 2015 at Heritage Hall at 12 noon.</p> <p>_____</p> <p>Chairman</p> <p>_____</p> <p>Date</p> | PS    |