



**MEETING OF THE COMMITTEE OF GIIA
HELD AT Heritage Hall, Le Marchant Street, St Peter Port, Guernsey on
Thursday 21st January 2016 at 12.00pm**

Minutes & Action Points

- 1.0 Present:**
Peter Child – Chairman (PC)
Mike Johns – Deputy Chairman (MJ)
Ian Drillot – Treasurer (ID)
Paul Sykes (PS)
Vanessa Pipe (VP)
Steve Hogg (SH)
Francis Kehoe (FK)
Jamie Polson (JP)
Lorraine Allen (LA)
Dominic Wheatley - Guernsey Finance (DW)
- Apologies for absence:**
Derek Maddison (DM)
Clive James (CJ)
Richard Bates (RB)
Clair Le Poidevin (CLP)
- 2.0 Minutes of Previous Meeting**
- The Minutes of the meeting held on 3rd December 2015 were approved and signed by the Chairman as a true record. **PS**
- 3.0 Matters Arising**
- 5.0 Communication with the GFSC** – GFSC Fee Structure and the potential for change next year. Although Caroline Bradley was unable to attend this meeting, she had provided information for the Committee to review and decide how to take forward. To be addressed later during the meeting.
- 6.0 Press articles - Charity** – LA explained that the Charity press articles had not yet been placed on the website, due to the quality not being good enough. LA said she would put an update on the new website, but not necessarily the press cuttings. **LA**
- 11. Chris Le Conte** – to be discussed later on during the meeting when PS arrives.
- PC and FK agreed to discuss market development opportunities within the Life Sector after this meeting. **PC/FK**
- 4.3 Education Committee** – CLeP had provided an update on the Education Committee. CLeP was still awaiting information on the number of people taking the Guernsey Insurance Certificate. c/f next meeting. **CLeP**
- 9.0 Membership Communication** – the first newsletter had been issued after October's Council meeting and a second was due to be issued after this meeting to incorporate the minutes and also an overview of last year. **PC/LA**
- 11.0 New Artex Rep** PC said Artex had not yet appointed a GIIA council representative to take over from Mark Elliott. c/f to next meeting. **PC**
- All other matters arising had either been completed or were addressed elsewhere in the meeting.

4.0 GIIA Committee Reports

4.1 Market Development Committee

The minutes of the last meeting were included in the Board pack and there were various different lines of work being undertaken. Specifically under ILS Reinsurance and pensions de-risking.

PC gave an update on the draft ILS legislation – this has been on-going for 2 years and Mark has said he has got drafts of the ILS legislation which needs to be rubber stamped but PC has still not received it. PC said if nothing received by next MDC meeting 3rd Feb he would speak to Mark, and raise the possibility of asking Chris Anderson to get involved. **PC**

Reinsurance – various pieces of work going on. PC and John Rowson from Kelvin Re are going in to see the GFSC on 15th February to talk about the process of applying for an NAIC Accreditation. **PC**

A meeting had been held with Richard Le Tocq (Locate Guernsey) to see how they might help as there is the potential to aim for specific individuals to bring capital to the Island. Darren Stephens and Matt Le Forges from FSPU are attending the MDC meeting on 3 February to see more generally what we are doing.

FSPU had proposed undertaking a review of the insurance sector to see what could be done to ensure its continued health. A scoping paper for the review had been drafted. PC agreed to circulate the paper with is annotated comments to the Committee for further comment. **PC**

DW said a review had recently been undertaken for the Fiduciary Industry and that GIIA should think about what it wants to achieve from it, so that the process can be managed to get real value in terms of government action. DW said that FSPU might be able to provide some external insight on some issues that may have been previously overlooked. PC said he went through a draft scope document, to mark it up and take to MDC and see what response came from that. However PC said he is aware that the MDC is slightly more focused and doesn't have a life member on it, although it seems the most appropriate place to review the work, it narrows the width of the respondents. PC said it would be good to have a Life rep on the MDC. FK and PC to pick up on this after the meeting. **PC/FK**

PC said there was also some work being done on double taxation treaties in relation to the Netherlands and Belgium.

A list of promotional events had been provided and included in the board pack.

4.1.1 ILS Sub Committee

As above (4.1)

4.1.2 Pensions Longevity Sub Committee

The Pensions event is pencilled in for 7th October. DW said this had not yet progressed, but was in the programme and would have a similar focus to that held last year.

4.1.3 Conference Sub Committee

SH said that plans for the Conference were moving ahead well and CJ had sent a summary note to potential sponsors. The venue was likely to be the Willis Building or the Grange Hotel. DW and PC said that they thought the Willis Building would not be a popular choice and suspected it would be difficult to persuade some people to support the event if it were held there.

Target attendees were 250 with at least 70 percent non Guernsey. It would be an afternoon session starting about 3pm with 1 keynote speaker – and 2 panel sessions. The message of the Conference would be centred on 'Why Guernsey' and 'Reinsurance'.

The actual date still to be agreed, but options were 20th, 22nd or 27th/29th.

Looking to approach Alistair Stewart as a moderator – he knows Guernsey. Price is approximately £8k.

Budget – good indications from potential sponsors so initial budget should be covered by sponsorship – costings about £30k not including media, follow up etc. It's now just a question of finalising the details by the beginning of March.

DW said logistically GF will arrange the conference as instructed by GIIA but the real key to success is in the marketing - following up enquiries. GF marketing would produce 70/80 people, but the rest would be down to the insurance management companies. FK said that CJ will produce additional details by the beginning of February. SH said that Locate Guernsey is included. DW commented that they should be asked to sponsor.

PS joined the meeting.

4.2 Regulatory and Technical Committee

A brief update had been received from David Riley and was included in the Board pack re revision of laws.

The Moneyval report is now in. PC said the report was largely observant and its publication should mean that work on the AML handbook will pick up again. DM had said he had not had a date yet for a follow up on the AML handbook.

PC said he was still in the process of ascertaining from Caroline Bradley what was happening with the Corporate Governance Code Consultation.

DW said BEPS was raised on Technical FSF yesterday and concern was raised re BEPS in relation to captives.

PC said he had agreed to meet with Gavin St Pierre, Steve Wakelin and Darren Stevens specifically about BEPS and insurance to talk about the effect on the sector on the whole. The focus so far had tended to be on the captive sector.

PC said that although industry itself did not appear to be unduly concerned, outside agencies were suggesting that something should be done by GIIA and a comment should be produced to allay fears.

DW suggested it could be included in the Industry Review as it should feature under the SWAT analysis.

PC said he would talk to the Gavin, Steve and Darren but would prefer to be accompanied by someone who knew more about the potential impact of BEPs on captives. VP said she would ask in her office if there is anyone with detailed knowledge of captives in respect of the BEPS threat/opportunities.

VP

DW said we need to agree a response to clients so when it is raised we have an answer. The meeting is on 2nd February. **Action: LA to send an email to the membership asking if any of the members has particular interest in BEPS in relation to the Guernsey Insurance Industry and if so, to contact PC.**

LA

PS said that Aon's Compliance Officer Jonathon Carter is interested in being involved in the RaT. PC said he should contact David Riley. DW said the new GF Technical Manager would like to sit in on the meetings. PS commented that with the Corporate Governance law arriving in Q2, there would be a good reason for

another RaT meeting to take place. **Action: PS to ask Aon compliance officer PS to contact David Riley. PC to contact DR re including the GF Technical Manager on the Committee.** PS PC

4.3 Education Committee

CLeP had provided an update on the Education Committee in which she confirmed that information had been requested on the number of people taking the Guernsey Insurance Certificate, but was still awaiting an answer. A profit of £880 had been made on the Captive Insurance Seminar.

5.0 Communication with GFSC

Fees Consultation

PC referred to the letter and accompanying spread sheet in the Board pack. He said in October/November GIA had sent representation to the GFSC saying the way the insurance fees are set does not reflect the risk arising from the various different licensees, and placed the island at a competitive disadvantage when attracting ILS business.

The advent of the Categories of licensees within the new solvency regime provided an opportunity for a more sophisticated fee basis.

GFSC has said that it needed to maintain the regulatory fee take from the insurance sector and it had therefore provided a spread sheet showing how the fee take is currently split across various different categories of licensee. The GFSC had removed the life and domestic sectors from the review because they had been subject to large increases in fees in recent years

PC said at some point if change was agreed to be desirable, the Committee would have to come up with a consensus across a wide section of industry representatives.

The representation to the GFSC in 2015 based around the Cat 6 business fee as being inordinate to the risk and putting Guernsey at a disadvantage in a business area that was difficult to develop. If this business was compared to the commercial insurer/reinsurer business, there might be some argument to increase the commercial insurer/reinsurer fee to enable a reduction of the Cat 6 fee.

PC said by playing with the spreadsheet provided by the Commission, he had ascertained that not too great an increase would be required to the commercial insurer/reinsurer fee in order to reduce the cat 6 fees by a level which would make it more of a level playing field with jurisdictions like Bermuda, which is Guernsey's main competitor in the ILS field

It was felt that it would be worth ascertaining what the Commercials pay in Bermuda and other offshore insurance jurisdictions. PC suggested that a separate meeting be set up which the whole Committee could attend and come up with a solution incorporating comparisons with other jurisdictions. **Action PC to arrange a meeting.** Timescale; this is referring to 2017 fees. PC

Online Submissions

PC asked if there were any comments which needed to be fed back re online submissions. PS said there was some inconsistency in practice; where applications were being made for new business, appointments were being included on PQs by the Commission. Now if you have a new business application, you need to create an appointment as a director (Director authorisation). PS said it was not clear what the process now was and why there had been that change of practice. SH commented that the onus was on the directors to keep records up to date.

Licensed Insurers' Corporate Governance Code

This had been discussed earlier during the meeting. **Action PC to let everyone know what was going on asap.** PC

2016 Consultation Time table – it was noted that this had been included within the meeting pack.

6.0 Treasurer's Report

ID said that Barclays had advised that if the funds remaining in the Lloyds account were transferred to Barclays, they would not be able to offer any interest on less than £100k but what they would do is to stop charging on the current account. It was agreed that ID would transfer funds from the Lloyd's account to the Barclays account. ID

The Financial Statements were attached to the Agenda and would be presented at the AGM next month. It was noted that Leon Steyn was listed under 'Committee' on the Officers and Committee list and should be replaced with Francis Keyho. A 'resigned date' should be noted by Mark Elliot's name. **Action ID to amend details.** ID

ID commented that on page 22 of the Board pack, Income statement – GIBA membership in 2015 was less than 2014, as the wrong period had been accounted for. That has now been adjusted so it had decreased this year and will increase again next year.

Auditors - Action: ID to ascertain if GT will continue as auditors. ID

7.0 GIBA Update

Notes from the December meeting were in the Board pack. PC said that the January meeting talked a lot about Moneyval, and the changes to penalty regime and increasing to £4m for a corporate and £400,000 for an individual. DW said that these changes would be included in the February Billet. On housing control and immigration, it was noted that some 5 year housing licenses had been swiftly granted recently.

PC advised that the GIBA AGM is going to be on the 6th April.

PR Committee

PS gave an overview of the report included in the board pack. He said it was notable that the GIBA PR Committee is going to do something on BEPS. Jo Huxtable was the 'go to' person for that. The Newsletter, which features PC as the opening profile is near completion.

8.0 FSF Update

PC said he had not been able to attend the last meeting. Minutes from the last meeting were included in the Board pack.

9.0 Membership Communication

LA said that the website was going live today, updated as much as possible. She asked that if anyone notices anything that was out of date, to please let her know. The next newsletter would go out after the minutes of this meeting had been done. Barclays has confirmed that it would support the dinner this year so, the dinner details would be issued asap. Invoicing has been completed for 2015/16. LA

10.0 External Communication

Nothing to report.

11.0 Any Other Business

DM had sent a note round on the Corvid presentation on IT Security for information.

MJ said he had decided that he will not be standing as Deputy Chairman at the AGM for various personal reasons. PC thanked MJ for all his hard work. If someone wanted to stand as Deputy Chairman from the AGM in February that would be as a precursor to doing the Chairman's job starting in 2017. **Action: PC to circulate Committee with regard the vacancy for the Deputy Chairman role.** PC

LA said that auction prizes were needed for the forthcoming dinner. PS said he would see if he could obtain any tickets for Manchester United, and agreed to act as auctioneer at the dinner. LA said that 2 charities needed to be selected to raise money at the dinner. MJ suggested local charities – Anthony McMahon and Jonah Gillingham. LA to make enquiries. LA said she was still awaiting 2 responses for the VIP invitations to the Dinner – Patrick Firth and David Reeves. PC said he had received a letter from the Actuarial Association stating that there was a new President and that the invitation had been passed on to him. PC to email to find out if the new President is attending. LA
PC

PS – Chris Le Conte award – PS said we should do this at the annual dinner and will get it done. PS

ID asked whether we had agreed a venue for the AGM. LA confirmed that she had booked Moores.

DW asked if anyone had seen the new GF branding. MJ said it looked clean and fresh and that a lot of work had obviously gone into it.

DW said there were a number of regional visits planned for this year and that GF was looking for indications of interest to get insurance people involved in new venues.

A HK trip planned for November would be insurance focussed. Before that there is a trip to SA and DW asked if there should be some insurance content. PC said from a regulatory point of view South Africa was not a favourable insurance business destination. DW asked for feedback re any issues he could raise with the Regulator in South Africa.

PS & FK undertook to provide DW with names of potential invitees to the HK office opening and seminar on the following day. PS/FK

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

The next meeting of the GIIA Committee will take place on Thursday 17th March 2016 at Heritage Hall at 12 noon.


Chairman

2 June 2016
Date