



**MEETING OF THE COMMITTEE OF GIIA
HELD AT St Martin's House
Le Bordage, St Peter Port, GY1 4AU
On 21 March 2018**

Minutes & Action Points

1.0

Present:

Derek Maddison- Chairman (DM)
Mark Elliott – Dep Chair (ME)
Mike Johns (MJ)
Vanessa Pipe (VP)
Clair Le Poidevin (CLeP)
Nigel Winkett (NW)
Martin Le Pelley (MLeP)
David Riley (DR)
Lorraine Allen (LA)

Apologies for absence:

Peter Child (PC)
Paul Sykes (PS)
Ian Drillot - Treasurer (ID)
Francis Kehoe (FK)
Richard Le Tocq (RLT)
Richard Bates (RB)
Steve Hogg (SH)

In attendance:

Graham Powell (GP) Cutts Watson Consulting

2.0

Minutes of Previous Meeting

The minutes of the meeting of 6 February 2018 were approved for signing by the Chairman as a true record.

3.0

Matters Arising

Meeting with the GFSC

DM and MLeP had met with the GFSC to discuss Solvency II and DM said the current position was that it was unlikely they would be recommending it, as it would not be given priority with so much going on re Brexit. Also Industry had not come to an overall conclusion. MLeP said the EU was not considering anything as they did not want to set a precedent for what might come out of Brexit. He said the GFSC considered that it would not be abandoned for ever, but could be revisited in a few years. It might be that Brexit would provide a precedent with regard to third party rights and passporting. ME said 'plan B' could be a Memorandum of Understanding between Guernsey and the UK, piggybacking on the UK's Solvency II equivalence. DM confirmed that the GFSC would be responding formally to GIIA following the Consultation.

The Omnibus Consultation had also been discussed and presentation slides had been distributed to the Committee. GFSC had also been talking about green initiatives in relation to long term life assurance, where they could relax some of the rules in relation to assets and the capital charges against them, but broadly speaking it was about giving a 'green' or 'socially beneficial' badge to Guernsey. MLeP said the GFSC was looking for angles within the insurance market that might be able to facilitate promoting that kind of concept.

GP said the purpose was to raise Guernsey in the league table of offshore domiciles and there was a marketing angle there. DM suggested the GFSC might come and give their presentation to GIIA. **Action: DM to circulate the presentation.**

DM

GIIA Website

No action had yet been taken. **Action: GP agreed to suggest specific points for improvement with regard to the GIIA website.**

GP

PWC Review

DM said this was related to non monetary policies and GP had made some progress. GP said Hiscox were not interested and GP had contacted RLeT in relation to Simon's project which was left with RLeT who had shelved it. GP said he still needed to talk to Charles Scott, but there did not seem to be a sense of interest. GP is also awaiting ME's response.

Convergence Capital Working Party

GP said the meetings were going well, the next one was in April and he would report back to the MDC.

CII

DM said it had been agreed in principle to arrange a meeting with Callum Beaton (CII).

CICA

ME/DM felt there was no pressing need for this, but further details could be obtained for possible future attendance. **Action: GP to ascertain cost details.**

GP

Young Persons Forum

ME said this was an idea DM and he had spoken about following CW Consulting's idea on Mentoring. It was felt that GIIA should be better known and a network could be created for younger people coming into the industry. The basic idea was to start small with quarterly sessions eg captive workshops and drinks afterwards. It was felt there was a need for a Forum. A budget would be required. It was hoped that the first meeting would be held by the end of the Summer and all Committee members would participate if possible. MJ suggested the Chris Le Conte Award could be promoted to the Young People's Forum. DM suggested a table for the YPF at the annual dinner. ME suggested setting up a subcommittee as part of the Education Committee. **Action: ME and CLeP to liaise.**

ME/C
LeP

MGA

Action: PC to take forward with DW. MJ felt this was something that should be pursued. **MJ to call PC.**

MJ

FSF Update

DM said the format for the meetings was not changing, but the timings were going to change.

4.0 GIIA Committee Reports

4.1 MDC

Minutes of the meetings held 22 January and 16 March 2018 had been circulated with the agenda. GP gave a summary of the minutes.

4.2 R & T

A summary of the recent meeting had been circulated with the minutes. MLeP said the response to the AML Handbook consultation needed to be in by 6 February. Discussion took place and it was agreed that MLeP should respond to the GFSC and copy the Committee. **Action MLeP to respond to the AML Handbook consultation.**

MLeP

Omnibus Consultation

MLeP outlined the proposals and said the disclosure rules were the most important. Whereas the current rules exempt reinsurers and those insurers that are part of groups, those 2 sectors would now be included and the intention was that the rules will require online publication of financial statements. Since cells do not have financial statements, this would not be possible. Putting this information on line would make it accessible to all, so care would need to be taken, as having to issue management accounts on line may cause cell holders to decide to move to another location. MLeP said he could not see the benefits of publishing cell accounts and when the rules were issued it would be necessary to go through them with a 'fine toothed comb'. There were a couple of things that apply to "significant" insurers (undefined) – not pccs and captives, but it means that those of the CATS 1-4 that are of sufficient size to be significant would have enhanced reporting – half yearly management accounts and quarterly returns and also stress testing. There would be a piece on risk transfer guidance around what the Commission expects in relation to risk management of the reinsurer – making sure the contractual relationship with the reinsurer is robust and there is a clear understanding of how it works. This would apply to all insurers and could have some impact.

There is going to be a tightening up on Cat 6 requirements and definition. MLeP said if these companies were part of the Solvency II Equivalent group, they would probably be doing that anyway. At the moment there is a flexible definition but if they tighten up it will reduce the flexibility which could have a "knock on" effect on products. Also a definition of "majority shareholder". The consultation paper will be issued mid April and MLeP said he would arrange an R & T committee meeting in early May to go through the details and then put forward a GIIA response. DM asked if there was enough representation on the R & T Committee and MLeP said most of the big players were on it but if anyone else wanted to attend, they were welcome to do so. **Action: MLeP to arrange an R & T Committee Meeting in early May & put forward a GIIA response.**

MLeP

4.3 Education

No update.

5.0 PWC Review

A summary had been attached to the Cutts Watson Report and circulated with the Agenda .

6.0 Convergence Capital Working Party

Covered above.

7.0 Solvency II Equivalence

Nothing further to report.

8.0 Communication with the GFSC

Covered earlier in the meeting

9.0 Treasurer's Report

c/f next meeting.

10. Cutts Watson Consulting

An implementation report had been circulated with the Agenda. GP summarised the report to the meeting and said the main activity on the Capital Convergence party was the April Roadshow. CWC had been attending the Green Finance meetings and GP said that it would be a good idea to get them in to do a presentation.

Solvency II

Covered earlier in the meeting.

11.0 GIBA

The minutes of previous meetings had been circulated. DM said if anyone had any specific comments relating to Aurigny, he would feed them in to GIBA.

12.0 FSF Update

An update had been circulated with the agenda.

13.0 Membership Communication

LA said there were 156 attendees for the dinner.

Chris Le Conte Award

LA said a reminder email had been sent with regard to the Award, but no further nominations had been received, so it was agreed that voting should now take place by email. MJ suggested in future this award could be marketed via the Young People's Forum. **Action: LA to circulate the nominations to the Committee for voting.**

LA

Annual Dinner

LA confirmed this year's speaker would be Lucy Porter. It had been decided to do the formal Chairman's speech before dinner this year and the presentation of the Chris Le Conte Award would take place after dinner. DM said that some organisations had now stopped 'clapping in' the top table.

14. External Communication

LA

A press release had been issued following the AGM, but nothing had been printed. **Action: LA to follow up with the Guernsey Press.**

15. Any Other Business

LA said dates needed to be agreed for the Committee meetings for the remainder of the year and she would send calendar invitations. **Action: LA to arrange meetings for the remainder of the year and send calendar invitations.**

LA

16. Date of next meeting

It was agreed that the next meeting should take place on Thursday 17th May 2018 at the offices of Artex.

There being no other business, the meeting ended at 1.40pm.

Dereu Maddalena
Chairman

16 / 7 / 18
Date

