



MEETING OF THE COMMITTEE OF GIIA
Held at St Martin's House, Bordage, St Peter Port, Guernsey
at noon on 21 November 2018

Minutes & Action Points

1.0

Present:

Derek Maddison (DM) - Chairman
Peter Child (PC)
Mike Johns (MJ)
Steve Hogg (SH)
Richard Bates (RB)
Francis Kehoe (FK)
Vanessa Pipe (VP)
Nigel Winkett (NW)
Lorraine Allen (LA)
Sarah Petit (SP) - representing Ian Drillot
David Riley (DR) - representing Robus

Apologies for absence:

Mark Elliott (Dep Chair) (ME)
Ian Drillot (Treasurer) (ID)
Paul Sykes (PS)
Richard Le Tocq (RLeT)
Martin Le Pelley (MLeP)
Clair Le Poidevin (CLeP)
Dominic Wheatley (Guernsey
Finance) (DW)

In attendance:

Graham Powell (GP) Cutts-Watson Consulting (CWC)

2.0 Minutes of Previous Meeting

The minutes of the meeting held on 27th September 2018, having been circulated, were approved for signing by the Chairman as a true record. DM commented that the Meeting had been dominated by the presentations on the NED Development Programme and Bright Futures.

3.0 Matters Arising

GFSC

DM said there had not been a specific liaison meeting with Jeremy Quick and Clara Coleman of the GFSC on 22 October 2018, but that he and MJ had met them in relation to the Green initiative and the GFSC discussion paper on green insurance which was about to come be issued.

DM said that he had made the point at the end of the meeting that the GFSC had been issuing so much new guidance and rules that it had been burdensome for industry to cope with the volume. Jeremy Quick had responded that he would not expect guidance to result in additional work, as it related to things that should be done anyway. DM had countered that both clients and the GFSC would expect the Managers to review any new guidance with boards and ensure that it was being followed as relevant and that in many cases this would entail a board paper. MJ and DM had been assured that after the Cyber there would not be anything else, apart from feedback on the thematic review on submission of annual returns by Managers. MJ said the GFSC had said there would be no more insurance related legislation within the next 2 years but if something significant came out of the IAIS visit there was the possibility of something being required.

A second meeting had been held with the GFSC about economic substance attended by DM, VP, MLeP and a representative from Aon. DM said that he and MP had the impression that the Insurance Division had not been involved in the discussions on this matter and seemed somewhat surprised by it. The GFSC was more interested in ensuring that mind of management is in Guernsey and ensuring that Boards exercise proper control over outsourcing with appropriate agreements in place, particularly underwriting and management of cash. The GFSC had talked about the Isle of Man and subsidiaries of groups where there was a lot of outsourcing to other parts of the same group and DM agreed the wording needed to be approved. VP said the GFSC had been trying to see where the problems might be in relation to the insurance industry and how it would work with the Tax Office – what the expectations were. VP said The Tax Office was responsible for the validation of substance and if they believed there was a problem they would talk to the Regulator. They had talked about the time frame of accounting.

The first companies affected were those with accounting periods beginning on 1 January 2019 and the first effective category starting 1st July 2019, with the first return not due in until 2020. VP said the Tax Office did not expect everyone to be compliant for 1 January 2019, because the guidance would not be issued at that date, more for the second six months. VP said all the information was in the guidance, which had not been widely distributed. Discussion took place. If a client was tax resident in the UK, they would be fine but their jurisdiction may have issues. DM said there was a working party which included 2 tax partners and a representative from the GFSC, David Oxburgh and various others who had been working in conjunction with the other crown dependencies. DM had e-mailed to the Committee the Tax Office's first attempt at guidance notes on "Core Income Generating Activities".. DM said they were hoping to get guidance out for consultation by the end of 2018.

VP said MLeP had set up a meeting of the R&T Committee on Friday at which all the Managers should be represented and anyone could attend regardless of whether they were a committee member. DM felt that a lawyer was needed to assist. **Action: All present to think about their individual company situations relating to this, prior to attending the meeting on Friday with MLeP.**

ALL

DM said it would be useful to have a six monthly meeting with the GFSC. It was discussed that that there was a lack of insurance expertise at the GFSC at present. PC said the change to the structure at the GFSC meant that insurance was not a priority area and perhaps that was due to the historic low risk nature of insurance. However there was currently no one at the GFSC who was prepared to meet with new insurance clients. Discussion took place and VP felt that this should be discussed with the GFSC. PC referred to reinstating regular meetings on a formal quarterly basis and there would then be a forum and a bedrock to work on. DM pointed out that there were also other routes through GIBA Exco and the dinner with Commissioners. **Action: Regular meetings to be set up with the GFSC.**

DM

Education Committee

There was no report from the Education Committee. DM said there was a wider issue on whether Education/Insurance Development Forum overlapped. LA said there was a second Insurance Development Forum planned for 7th February with Malcolm Cutts Watson as one speaker and they were seeking another speaker. PC suggested one of the shareholders from First Central might be asked. DR suggested someone from Lloyds and PC suggested a client from Lloyds. **Action: PC to ask his client William Lewis to speak on 7th February.**

PC

GDPR – Insurance carve out. In the UK, Ireland and other jurisdictions there is a specific insurance purposes justification for the processing of special category data which doesn't exist in the Guernsey legislation, although there is something in relation to health insurance. Mourant Ozannes had shared with DM and MLeP a copy of a letter they had written on behalf of one of their local clients to Emma Martins on the subject and Carey Olsen were also working on a paper and Kate Storey recently circulated an explanation of how she sees it. GP said the carve out in the UK was put in very late in the day by which time the Guernsey legislation had already begun and couldn't be changed. DM had sent an email to Rachel Marsden confirming that GIIA would be supportive of a change. PC said Guernsey would need something that gave clarity that does give a kind of exclusion which was talked about in the House of Lords. He had thought there was some communication between the lawyers and the States. SP said that on the implementation of the PWC report it said Helen Wyatt had submitted a proposal to the DP Commissioner for one of her clients. DM said he would find it helpful to have a meeting with the DP office to find out how they see some of this applying in practice. DM had circulated an email from Kate Storey to the Committee. **Action: DM to ascertain what Carey Olsen had done.** RB suggested a lawyer should be instructed. MJ suggested the R&T should find out the cost of instructing a lawyer. **Action: R & T to ascertain cost of instructing a lawyer.**

DM
MJ

FSF

No minutes had been received. **Action: LA to ask David Oxburgh to include GIIA on the minutes circulation list.** DM said the FSF had been structured and the Chair of GIBA now represents all the associations along with a deputy, unless there is something specific that GIIA needs to attend for.

LA

Membership Communication

LA confirmed she had completed the invoicing.

MJ is currently updating the GIIA Marketing letter c/f to next meeting

4.1 Market Development Committee

The minutes of the meeting of the Market Development Committee held on 1 October 2018 had been circulated, but there had been a more recent meeting since then and key points were that the meeting agreed the Marketing Plan that Guernsey Finance had put together for 2019. A big change from previous years was that instead of the plan being based around events, it would be based on four primary work streams being:

- MGA
- Extension Longevity
- ILS
- Reinsurance

PC said that those 4 work streams would each have their own advising groups and they would be prioritised at particular times where there would be a whole campaign around those products which would lead up to events such as breakfast briefings, roadshows, attendance at other conferences. There was no intention to repeat the Guernsey Insurance Forum, as more focused events would be held instead depending on what the working groups chose to focus on. PC said the Guernsey Insurance Forum was a very successful event, but the MDC had changed its

strategy to focus on prioritised product areas for 2019. PC said the MDC was working on bringing up to date various core marketing strategies eg pension de-risking. GF were producing a world map which would try to show access to worldwide markets for reinsurers. They had already produced something for the Funds Industry and were doing the same for Guernsey Reinsurance. There was an update on the Guernsey v Bermuda document on the GF website.

PC said there was a great deal of information on the GF website and GF was a great resource with whom they had a good working relationship.

GP said there had been an attempt to use a PR agency to complement GF and they had issued an article at a conference in Bermuda, but it was not well received. PC was to meet with PS and GF to think about PR and there would be some sponsorship opportunities to think about in Q1 2019.

PC/
PS

Action PC to meet with PS and GF re PR.

GP said there had been a proposal to put the CCWP under the MDC and have it as a sub-committee and change its name. From the MDC there would be 3 sub committees – MGAs headed by Charlie Scott, pension de-risking headed up by MJ and the CCWP which will be renamed the ILS/Rated working group which will be headed up by PC and will be rationalised. DM said the structure chart would need to be revised. **Action: LA to draft structure charts current and proposed.**

LA

4.2 Regulatory & Technical Committee

An email from the Chairman MLeP had been circulated with the agenda. The main points being the States Economic Substance legislation and guidance, GDPR for Insurance and the AML handbook.

4.3 Education Committee

No report

5.0 PWC Report

GP had included an update in the Agenda which had been circulated. GP said there was a question mark as to whether it was necessary for GIIA to pursue some of the items. PC said it would be good to have a final review of the report at some time. GP said it may need to be agreed with the States.

6.0 Convergence Capital Working Party

Covered under 'matters arising'.

7.0 Communication with the GFSC

Covered under 'matters arising'.

8.0 Treasurer's Report

The Treasurer's report had been circulated with the agenda. DM had questioned why the income from the dinner was less than last year and LA said this was due to 5 companies not taking a table, when they had taken one in 2017. GP asked if the date for 2019 was agreed and LA said that 2 dates were currently held but nothing had been finalised. **Action: LA to send an email to the Committee with the proposed dates.** DM suggested having a sponsored table through the Insurance Development Forum. DM said it was encouraging that the Association was breaking even with the new level of annual subscription. **Action: DM to sign the accounts.**

LA

DM

9.0 Cutts Watson Consulting

An activity report had been circulated with the Agenda. GP commented that the majority of Cutts Watson's time was spent on the MDC and CCWP and there was a summary of activity in relation to the PWC report. GP mentioned the bursary for insurance graduates, which was to be revisited. A list of list of bursaries had been circulated by the GTA in September and GIIA would need to include its bursary on that list for next year. **Action: To be c/f to the January agenda.**

LA

CICA

MCW had suggested GIIA should be represented at CICA in Arizona, as some of the issues being faced by the industry were global and not just local. There was no cost involved in joining, it was just a question of being involved in the bigger picture. Discussion took place and MJ pointed out that captives fell under BIBA and AIRMIC but PC said there was no working group representing captives and they could be added to the work stream but that would mean 4 working groups. DM said that he didn't think there would be value in GIIA paying for someone to attend, but if someone from one of the management companies was already attending, they could represent GIIA. GIIA could join CICA without going to Arizona. **Action: GP to go back to CICA and to obtain a 'sales pitch' for consideration at the next meeting.**

GP

10.0 GIBA Update

The minutes of the GIBA meeting held on 1 October had been circulated with the Agenda and there were no comments from the Committee.

11.0 FSF Update

Covered under matters arising.

12.0 Membership Communication

LA confirmed the membership subscriptions had been invoiced in November. DM requested that the invoicing should be brought forward again for 2019. **Action: invoicing to be brought forward for 2019 and invoices to be sent with details already printed rather than forms to be completed.**

LA

13.0 External Communication Membership Recruitment

No update.

14.0 Any Other Business

VP said that IFRS 17 had been moved until January 2022.

GP left the meeting.

Succession planning was discussed. DM said it would be good to fill the post of Honorary Secretary which had not been filled for the last 2 years. The role of Cutts Watson was raised as MCW had put forward the idea of appointing a Director General of GIIA and that was discussed together with the possibility of employing expertise on an 'as required' basis. PC said the employment of a Director General would be a risk but could make a major difference. DM felt a re-think was required with regard to budget. DM suggested part funding initiatives with GF.

Action: LA to arrange a separate meeting to discuss succession planning and the possibility of a Director General and Agenda to be produced. LA

There being no other business the meeting ended at 1.50pm.

15.0 Date of next Meeting

The next meeting of the GIIA Committee will take place on Wednesday 16th January 2019.

<u>Deru Madackal</u>	<u>5/3/19</u>
Chairman (as at 21/11/18)	Date