**Guernsey International Insurance Association**

**Chairman’s Report 2021**

Ladies & gentlemen, welcome again to the Guernsey International Insurance Association (GIIA) Annual General Meeting, albeit in a new virtual format, thank you for giving up your time this evening.

I’ve kept this relatively short, as my internet is not reliable, and my wife needs the table for dinner!

Well, 2020 was interesting! Despite Covid we’ve managed to get through the year, but it’s been a challenging time for everyone, and I thank all my colleagues on the main committee and all on the various sub committees for their perseverance in very difficult circumstances. Though you all got off lightly compared to me having to host the meetings from a tent on several occasions. Personally, I think that went above and beyond the normal duties of a Chairman!

It has been an extremely busy year for the Association, and no one, especially Ian, can say we haven’t spent any money but hopefully you’ll view this expenditure more as an investment in future growth and development.

We’ve launched several initiatives during the past 12 months and the first of these initiatives is our commitment to the Insurance Industry Review commissioned by The States of Guernsey, our contribution to this amounted to £5,000, though the initial budget agreed was £10,000. By way of background, the PWC review carried out 4 years ago, in my view, provided us with direction. Setting out key areas of potential development and GIIA targeted most of these areas to grow the industry into wider new areas. Four years on it was felt that the review process should be repeated, and the review was carried out by CWC, with significant Industry participation, towards the end of 2020. The Review Report has been issued and circulated within the main GIIA committee, a Public Report is due to be released soon at which point further work will be needed to identify key target development areas and decisions will then have to be made as to how best to approach these. From what I’ve read, GIIA will once again be central to achieving most of the objectives and there will be significant work ahead. I see this work being coordinated through the MDC, but my successor, Mark, and his team may have different views. Whatever route is taken I think it’s a very exciting time for the industry generally, the interest in Captives and risk retention is at its highest level for some time, and this Review provides another opportunity for us as an industry to work together to build for the future.

Second is the Green, ESG and sustainable finance framework for ILS and Captive insurance, Mark Elliot and Adele Gale have invested significant amounts of their time and energy in developing this three pillar framework covering governance factors, environmental and social outcomes that are aligned with international industry standards and the United Nations Social Development Goals. The aim is to provide a “Kitemark” that will enable participants, hopefully ILS structures and other Insurance entities, to demonstrate their commitment to the Environment and Social responsibility and enable us as an industry to demonstrate a commitment to Guernsey Green.

One of the issues that we’ve faced as an industry when trying to demonstrate the strengths of Guernsey as an International Insurance Centre is the lack of real data to support our marketing efforts. The data that is available isn’t always presented in the best way and can work against us, as we’ve seen in recent Captive Review articles which have highlighted a fall in captive companies during 2020. A negative message at a time when, I think every Manager would agree, we’re seeing the highest level of enquiries and interest for many years. The data is exactly that, data, but when you have no information or alternative data with which to counter the figures or present a different picture, it’s hard to put a positive spin on the situation. This issue was highlighted early in 2020 and a decision was taken, by the GIIA main committee, to employ Island Global Research, as an Independent Company, to gather useful and pertinent information from industry. Questionnaires have been circulated to all licensees, I would urge everyone to complete and return the questionnaires before the submission date, which is the 31st March.

Kate Strorey and Peter Child took the lead in discussions with the GFSC over a fast track, pre-authorisation approach to Protected Cell applications and this is now going through an initial testing phase. Our hope is that this will be applied to all Protected Cell companies, rather than just Manager owned PCCs and that a similar approach could be applied to pure Captives at some stage in the future. There’s no doubt that this initiative has contributed to the increase in enquiries, probably as a result of the increased media coverage that has emerged. It took up a lot of Kate’s and Peter’s time and their efforts, and the willingness of the GFSC to work towards a solution, have led to a fantastic outcome.

In our attempts to raise the profile both of GIIA and Guernsey, The Association has also committed to be a founder sponsor of the Insurance Museum in London should this be successful, a project championed by John Rowson.

This activity has all been driven through the work of the Market Development Committee under the guidance of Peter Child. My thanks to Peter and all the members of the MDC, and various sub committees.

The ideas that come out of the MDC and its committees are taken forward by Guernsey Finance. Rupert and his team have worked tirelessly to promote the Guernsey presence at various conferences such as BIBA, Zurich ILS, AIRMIC and the Monte Carlo Rendezvous. Commitments to attend these conferences, and the work preparing for them, had begun long before the dreaded word Covid had been first uttered. All that work started to unravel around this time last year leading to a huge amount of additional work to recreate things in this Virtual World, that we find ourselves. Podcasts, Virtual captive seminars, virtual stands and a myriad of articles and interviews all raising the profile of this island as a Centre of Excellence for Insurance, were created by the Guernsey Finance Team, most of it under fairly difficult conditions and many aspects actually new to the team. So, I’d like to record my personal thanks and those of the Association to Rupert Pleasant and his team for their work.

During the year we’ve also been faced with several Consultations and/or Engagements with Industry projects from the GFSC. The initial reviews on items such as The draft amendments to The Insurance Business Law, The Engagement on the draft amendments to Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (the “Insurance Managers and Insurance Intermediaries Law”) are routed through the GIIA Regulatory and Technical Commission, led by Graham Powell. These all require initial responses, though clearly looking at the Commissions comments following the introduction earlier this month of the Cyber Security Rules, I’m not convinced we’re on the same page with the way these new rules should be implemented.

My two-year term as Chair has passed quickly, though it didn’t feel like it at times, particularly during the initial phase of Lock Down. It was disappointing that we couldn’t hold the Annual Dinner and this years’ has also been postponed. However, given the seriousness of the situation it’s been a small price to stay safe. We did manage to hold a small drinks reception at Candie mid-summer which was great and hopefully it won’t be too much longer before we return to some element of normality. One thing that was abundantly clear throughout lockdown was the determination of members of the Association, and the Insurance industry as a whole, to get on with business and just get on with things and make the bets of the situation we found ourselves. A useful message to relay to colleagues within the Finance industry, and members of the States of Guernsey at the GIBA Committee meetings during the year. I have to say that prior to becoming Chair I wasn’t a major fan of GIBA. My view was that it was yet another committee, in place mainly for political reasons. I have to say that my view has changed considerably, the role of GIBA, under the Stewardship of Toni Mancini, as a conduit for information both to and from the relevant bodies within the States through the Covid crises has been invaluable. GIIAs participation and feedback of information from industry has been valued, I hope the information that has been circulated has proved of some use. I have to say I will miss the discussions, that inevitably involve all aspects of island life, even though they go on for hours!

So, my term is coming to an end. I have two regrets

Firstly, that I haven’t been able to push to increase the membership. The virtual environment and current climate, where many companies are struggling, it didn’t seem the right time to do this, but this Association is important. It is highly respected by our Politicians who appreciate the amount of work that goes on behind the scenes to promote the island as an Insurance Centre but to have any real any real impact and to fund work going forward the association will need members and, membership contributions. It you’re a Manager please ask your clients to become members and view the fee, all £240 of it, as a contribution to the development of the industry.

The second regret is that I’ve been unable to build on the great work that Ben Davies has done with the Insurance Development Forum. Great plans were in place last year for some educational and networking events and we made the fatal mistake of discussing a relaunch in January this year until the dreaded Covid reappeared. Without wishing to sound too patronising it’s great to see some of the younger members of our industry participating in the Committees and working groups that have been established. It’s also great to see the more mature, retired members of the insurance community combining their knowledge. Nick Wild’s initiative to form Sagacious Group, I’m told a lunch & wine club, and to use the combined knowledge of the Group to reintroduce an Insurance Management based study course, is good news for the industry.

Before I finish, thanks to Peter Child, Mark Elliott, Ian Drillot, Graham Powell and all of the members of the GIIA main Committee and sub committees for their support, work and commitment during the past two years.

Also, to Lorraine for her patience and fortitude, especially when it came to me reviewing the minutes!

Thanks also to Willis Towers Watson for allowing me the time to fulfil my duties

Despite the thousands of emails, some quite frankly boring and tedious meetings, it has been a wonderful and at times educational experience but without doubt an honour and a pleasure to have been Chair and I wish Mark and his team all the best for the his time as Chair.