

Guernsey International Insurance Association

Chairman's Report 2022

Ladies & gentlemen, welcome again to the Guernsey International Insurance Association (GIIA) Annual General Meeting, which I am grateful we can hold in person this year.

It has been an extremely busy year for the Association but one where we have achieved a lot.

Following the financial commitment from both GIIA and the States in 2020 the report continues to act as a blueprint for our strategic promotional objectives. Progress on the recommendations is mixed, and the two barriers we have faced in achieving more, are political / regulatory wrangling around the content of some of the recommendations and also, frankly, the amount of time GIIA has to commit to each recommendation. I still see value in the report and we continue to aim to progress as many of them as possible, but the process has opened my eyes to how things work behind the scenes!

I thank the MDC and the various sub-committees in progressing these initiatives and fully support and appreciate the prioritisation that is necessary.

The MDC continues to liaise extensively with Guernsey Finance to promote the Guernsey Insurance Proposition in our target markets. Now Covid travel restrictions are lifted we see a somewhat return to normality with events starting in earnest. We are adopting a strategy of continuing to maintain our presence in existing markets as well as trying to break into some new ones as a good target. One example is the US where we have traditionally not marketed in. Our attendance at CICA this year is the first step in raising our profile on the other side of the pond, and more initiatives to follow.

One of the main promotional pushes this year is to celebrate Guernsey's 100 year captive anniversary. Whilst some on the Committee were sceptical that we would find evidence of life on Guernsey in the 1920's, let alone evidence of a captive, it was indeed discovered! Thanks to Guernsey Finance for pursuing this with some dogmatic journalism! It is a very important milestone, which we intend to celebrate and promote accordingly.

Feedback from industry is that captive formations over the past 18 months have been very strong and the MDC promotional activity this year is intended to reflect that, alongside the normal promotional activity we carry out. We continue to see development of other niches apart from captives and we will continue to invest in those to ensure we are a robust and diversified sector, albeit this does increase the workload considerably – hence the number of sub-committees!

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 for their hard work and dedication.

We continue to work closely with Guernsey Finance on promotional activities and continue to ask a lot from them, for which we should make no apology. I believe the insurance sector represents amazing opportunities for Guernsey's future economic strategy and our promotional activity should be reflective of both our current size as well as the future opportunity. We have been lobbying for a

sector specialist and have been engaging positively with the Guernsey Finance Board in this respect and hope this can be progressed soon.

I'd like to record my personal thanks and those of the Association to Rupert Pleasant and his team for their work, which has been very difficult in Covid times, and look forward to future positive engagement.

We have made great strides with our Green, ESG and sustainable finance framework initiative. I have been really pleased to see the amount of companies adopting the framework, or using the framework to promote discussion around ESG more generally. To me, this seems like a way in which captive managers can add value to the client conversation and shows Guernsey as a progressive and innovative jurisdiction. Some managers are more engaged than others and I appreciate the amount of considerations there already are for Managers, but I truly believe that promoting conversations around ESG in the Boardroom is imperative for change to occur. There is more work to do on the Framework, with Pillar 3 being enhanced and a transitional energy pathway being explored in the next phase. The ESG sub-committee has been formed to help support and progress these initiatives and I thank John Rowson for his leadership. In future we will be exploring ways of socialising the framework to other jurisdictions and to position ourselves as the leaders of the field, but this will take investment, time and commitment over a long period to really bear fruit. I must mention Adele who has been instrumental in driving this forward. Whilst rewarding, it has been a lot of work and Adele's support has, and continues to be, enormous.

Another area that Adele has spent many hours is in establishing an industry data gathering tool, using Island Global Research. Despite some real difficulty in gathering data from all managers in good time, the results are now out. This data is vital in trend analysis and promotion and it is a valuable exercise which will benefit GIIA and its members over the coming years.

We have re-constituted regular, quarterly meetings with the regulator which have been helpful in promoting a more open and constructive communication channel. We have already seen the results of the Reinsurance Thematic and an Insurance Omnibus review is due later this year. We continue to hear about regulatory challenges around retail business and this is sure to be a focus of the omnibus review. As an Association we must do all we can to uphold the reputation of the Island and work collaboratively with the regulator where there are risks emerging. I am pleased that Mie Johns is leading the UK Market Access group which look at both the opportunities as well as working with the regulator around the risks presented and the controls that can be put in place to protect the sector as a whole. There continue to be entities outside of GIIA whom perhaps have a different risk appetite and this is a challenge for GIIA.

Over the next year the implications of the OECD tax harmonisation proposals will need to be worked through. Initial reviews suggest this should have a limited impact on our sector but political headwinds around local taxation need to be considered and challenged and I am pleased that Graham is leading this project from a GIIA perspective in his role as Chair of our R&T committee. We thank Graham and his fellow committee members for their support.

GIIA continues to play an active role in GIBA, and we enjoy a good relationship with the other Associations and we thank Paul Hodgson for excellent leadership. We congratulate Paul Sykes who

has taken on the Deputy Chair position and this helps our sector maintain the visibility it deserves at the local political and regulatory level.

From a wider local perspective there are challenges to face with regards to housing and cost of living, finding appropriate staff and filling a tax black hole. We need to remain engaged in the various processes and make sure our voice is heard. GIBA is the conduit within which to do so and it is important that we engage and collaborate on cross sector initiatives more in the future to help address the upcoming challenges.

I am pleased to report an increase the GIIA membership. This has been driven in part by the ESG initiative and by the general uptick in new captive formations. I would ask Managers to encourage clients to become members of GIIA. The costs are low and the benefits are high, and this increased membership help us generate additional funds but also adds more scale and weight to GIIA.

I am also pleased to report that the Insurance Development Forum is now back up and running after a Covid enforced break. We have numerous sessions coming up and I would encourage members to attend for both educational reasons but also to network and support younger members of the industry. It is important that there is a link between GIIA and the industry and these events are vital for engaging with the future GIIA Committee membership!

We appreciate all the input into the new insurance management coursebook, particularly Nick Wild who has driven this project.

Before I finish, thanks to Peter Child, Adele Gale, Graham Powell and all of the members of the GIIA main Committee and sub committees for their support, work and commitment during the past year.

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

Thanks also to Humboldt Re and my team for allowing me the time to fulfil my duties.

My final thanks goes to Ian Drillot our Treasurer, who is stepping down after 8 years. We thank you Ian for your long standing commitment to GIIA, the accounts were always on time and you were always first in the bar! Thank you on behalf of all of the Committee.

I remain grateful to act as Chair of GIIA for another year, there is lots to do and I only wish I could commit more time to all the various initiatives, there is sometimes literally just not enough time in the day! But with the help of the GIIA committee's I believe we can make significant progress and help drive this important Association forward and I remain committed to continue to act on the Associations behalf.

Dinner date set for the 28th – hope to see you there!