

## **Guernsey International Insurance Association**

### **Chairman's Report 2024**

Welcome to the Guernsey International Insurance Association's Annual General Meeting.

It's been another successful year in the industry and there's no better indicator of that than the launch of Polo Insurance Managers, the acquisition of ARM by Howdens and the acquisition of Robus by SRS all in recent weeks. The number of regulated entities as at December 2023 have reduced by 5% but at 199 captives, plus an undisclosed number of cell captives, we have retained the title of Europe's largest captive domicile. I'm far less excited to report that we've also out ranked Luxemburg this year for the first time as a more expensive place to live.

In March last year our strategy session with members was attended by over 30 industry professionals and gave us the mandate and the goals to lead the Association forward over the last 12 months and I thought I would take you through the achievements inspired by that strategy session chronologically.

In April we convinced Airmic to host their first Guernsey conference and in fact the first captives conference in Guernsey in 25 years. On the 25<sup>th</sup> June 2024 we will host up to 180 delegates at St Pierre Park for a day packed with content. We have captive owners talking alongside brokers, markets and consultants and covering topics from the evolution of parametrics to the ways in which captives can drive ESG initiatives to the D&O essentials all directors should know. Surrounding the conference we have a drinks event on the West Coast the night before being opened by Angela Iannetta, Airmic Chairman, a Wellness Hour at La Vallette bathing pools early on the morning of the conference encouraging delegates to get jogging, sea swimming and practising yoga or just enjoying a bacon roll with the fantastic views on offer at that site. And to end we will hold the GIIA annual dinner on the evening of the conference with expanded capacity. This relaxed gala dinner which we will use to showcase local produce and sea food, will be a step away from the usual black tie event but that's not to say we won't return to a formal dinner again next year.

In May our annual dinner raised £2,500 for the Guernsey Employment Trust and I hope raised awareness of the Employer's Disability Charter and the benefits of creating equity of opportunity for our staff.

In May we, through GIBA expressed, our support for Guernsey to implement an "Income Inclusion Rule" and a domestic minimum tax to provide for a 15% effective tax rate for large in-scope multinational enterprises with >Euro750m, from 2025. We continue to liaise closely with the Guernsey Revenue Service in the details around the OECD's Pillar 2 Framework implementation.

The ESG Framework mark two has been drafted and Un1ty appointed as the new validator of the ESG Kitemark in June. 2023 was a very busy year for the publishing of various sustainability reporting frameworks and amongst the ensuing confusion I'm pleased our members continue to benefit from a bespoke principles based Framework. We will be running another training session in April for anyone who would like to understand the Framework more, the GTA's website link to register will be circulated in due course.

Also in June we held our first round table with Deputies to brief them on some of the key issues and limitations we face and to provide more information about the motivations of companies setting up in Guernsey. We must continue to express our concern at any suggestion of “taxing the captives”, without proper analysis of the impact, as a way of ducking out of fiscally responsible policy making by the States of Guernsey. We have also engaged with Deputies on the electricity strategy, Guernsey Finance Funding and, through GIBA, education, housing and the Funding and Investment Plan and those workstreams continue.

In June we also had an introductory meeting with Commissioner Stuart King and purchased carbon offsets for 100 tonnes of CO2 through Costa Rican re-forestation projects.

In July Reinsurance Insight in London boasted a fantastic line up and had great media coverage with over 130 registered.

In September the Champagne Reception in Monte Carlo was supported by record numbers building on the momentum from previous events and this has been confirmed to run again in 2024 at a larger terrace within the Hotel Hermitage.

Also in September we launched the Women in International Insurance Network with 38 founding members. In December WIIN met to discuss talent shortages and debate solutions from employment policy to government investment into childcare to normalising parental leave over maternity leave to offer families more choice and support women in work. Lauren at Utmost has led a successful initiative to have actuarial careers included, alongside accountants, as in “in Policy” role for long term housing permits allowing us to now recruit graduates on training contracts and we are working with Immigration to expand this further to include insurance and risk management institute qualifications.

In October we celebrated 40 years since the formation of GIIA at St James followed by an ex-Chairman’s dinner at the OGH and it was a lovely opportunity to celebrate our roots with so many of those who have built the industry.

In November we had an annual audience with the Financial Services Forum chaired by Economic Development and presented to various parties, including the former Chief Minister, on our challenges and opportunities.

Insuring the Future was also launched in November with 45 17-18 year old students participating in an immersive half day workshop eventually presenting to the board of a fictitious company the reasons they should set up a captive. Orchard PR created a brilliant video showcasing students thoughts on the industry and this is available on the GIIA website to watch. We will be running this event again in September 2024 and expanding our engagement with schools to create clearer pathways for students into financial services.

In January the Frontier Economics report, commissioned by Guernsey Finance, was published. This report articulates the interdependencies Guernsey has with the UK and quantifies the net benefit we deliver. \$100m savings to FTSE 100 companies is a strong headline message for the captive industry.

During February we have been working on a PR and lobbying strategy to address the threat posed by the Treasury’s announcement of a captives consultation in Q1.

Next week the London roadshow kicks off with representatives from across the sector conducting a host of meetings with professionals over a two day period to promote Guernsey and create deeper connectivity.

This year we have become a member of the Managing General Agents Association and will attend the conference later this year as well as encouraging our members to attend bulk annuities in April and the Airmic captives conference in Lloyds next month. We have agreed to partner with the Global Captive Podcast again in 2024 and Guernsey Finance support us in writing a number of articles and press releases both earned and placed.

The Insurance Development Forum has continued to run regular events and my thanks to Hannes who has sadly stepped down due to work commitments. The IDF is a great opportunity for one of our members to stay on top of new products and providers and to contribute to the industry, please let me know if you'd be interested in stepping into Hannes shoes. No requirement for public speaking if that's putting anyone off.

The Certificate in Insurance Management has now had 4 successful passes and a lot of positive feedback, we have our first candidate working through the Diploma already. The text book has become a go to resource for lots of our members and many of our members staff based in lower cost domiciles supporting Guernsey teams.

I must thank Guernsey Finance for their support and particularly Barnaby Molloy who became our industry representative a few months ago. I make no apologies for the amount of work GIIA generates for Guernsey Finance and know we could always do a lot more. Securing Willie Lewis as our BD Representative in London continues to be both useful and productive and I'd like to thank him for his proactivity and enthusiasm.

We have continued to be more disciplined in our engagement with the GFSC through 2023 and have met quarterly. Investment in this relationship is key for us as the approachability of the Regulator and the proportionate regulatory framework in place continue to be the most referenced USP of Guernsey. We're more effective and impactful when addressing threats such as that of a UK captives regime together. Retail General Insurer Rules were issued last week and my thanks to Mike Johns who has led this workstream for GIIA, I hope now we can market this offering more confident in regulatory stability and please remember the guidance document GIIA published with information for our members to consider when writing into the UK on a non-admitted basis.

Under Paul Sykes leadership GIBA has undertaken a deep review and the resultant report clearly articulates the Aggregator Association's value and focuses the mind. Work to finalise GIBA's mission statement, objectives and 2024 action plan is near completion. I have found a year sitting on Council to be different to that of perhaps others. It's been informative and rewarding and there is a sense of ambition and accountability within the meetings. The GIBA housing action group is active and impactful in demanding the changes needed by the States to address the astronomical 50% increases in house prizes over the last 5 years and similar rent increases. GIBA has also been active in engaging with the Education, Sport and Culture Committee and we continue to explore ways of addressing the appalling level of educational outcomes on the Island and the impact that feeling like paying for education is the only option having on many of those working in the industry. To be sustainable our industry needs raw materials and as an Island we cannot afford to allow some

schools to deliver just 43% of young people 5 GCSEs including English and Maths, the demand for talent is too great not to invest in every single young person to achieve their potential, irrelevant of their background. I do not accept that Guernsey people aren't capable of achieving better results.

Membership levels of GIJA are steadily increasing and the reorganisation of our fee structure to make it free for cells and NEDs to join should continue to help us encourage new members while still meeting the expenses of running the Association. There is a flyer articulating the benefits of membership that is designed to go into Board packs – please use this and help us grow.

At last years AGM our members asked us to engage more with the next generation of industry professionals and I'm pleased to say we have a quiz after the AGM to do just that. Please stay behind after the AGM for a drink and to get to know some new people, you will be allocated a team randomly.

Before I finish I'd like to say thanks to James Stewart, Stephen Wilson, Mark Elliott, Manus Carvill and John Rowson and all of the members of the GIJA main Committee, sub committees and working groups for their support, work and commitment during the past year. And a special thank you to Christina Bell, Ian Drillot, Nick Wild and Lorraine Allen for their work on the Airmic conference organisational team, this event would not be happening without you.

Thank you