

International Insurance Management Certificate - Glossary

Actuary: A specialist who uses mathematics and statistical techniques to determine loss reserves and premium pricing.

Asset Matching: Aligning investments with the expected claims profile.

Auditor: Independent reviewer of financial statements.

Board of Directors: The body responsible for strategy, oversight and control of a company.

Bona Fide Insurance: A genuine insurance operation with real risk transfer and proper capitalisation.

Broad Captive: A captive that also underwrites limited third-party business.

Broker: Intermediary placing insurance or reinsurance.

Business Plan: A regulatory document setting out strategy, risks, capital and projections.

Captive Insurance Company: An insurance company owned by a non-insurance parent to insure its own group risks.

Commission: see GFSC

Corporate Governance: The framework of controls and accountability in a company.

Delegated Authority: Authority granted by the board to managers or service providers.

Domicile: The jurisdiction where a company is incorporated and regulated.

Excess of Loss: Reinsurance responding only above a defined loss level.

Exit Strategy: A planned method for winding down or restructuring a company.

Feasibility Study: An assessment of whether an insurance company is commercially and operationally viable.

General Representative: Locally required representative for regulatory purposes.

GFSC: Guernsey Financial Services Commission, the Guernsey regulator responsible for insurance supervision.

IBNR: Claims incurred but not yet reported.

Incorporated Cell Company: A cell structure where each cell is a separate legal entity.

Indicator Study: A high-level preliminary review before a full feasibility study.

Insurance Manager: A specialist firm managing an insurance company operations and compliance.

Investment Income: Returns earned on invested premiums and reserves.

Matched Rights Position: Ensuring all obligations accepted in a pension longevity hedge are fully passed to reinsurers.

Minimum Capital: The minimum funding required by regulators to license a captive.

Offshore Domicile: a specialist international financial centre.

Onshore Domicile: where the location of the captive is the same country as that of its shareholders.

Protected Cell Company: A single company with legally segregated cells.

Pure Captive: A captive that writes only the risks of its parent group.

Reinsurance: Insurance purchased by an insurance company to limit its exposure.

Risk Retention: The level of loss a company or captive agrees to absorb before insurance or reinsurance applies.

Self-Insurance: Risk retained directly by a company without a licensed insurance vehicle.

Solvency: The ability of a captive to meet its liabilities as they fall due.

Underwriting: The process of assessing and accepting insurance risk.