

GUERNSEY LEADS THE WAY IN OFFERING LONGEVITY RISK SOLUTION

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Guernsey's position as the go-to jurisdiction for longevity risk transactions was outlined at a thought leadership event in London on Wednesday.

Hosted by Guernsey Finance, Longevity - is there life in captives? attracted more than 120 delegates who heard from John Coles, Head of Operations for the BT Pension Scheme, on how BT structured its record-breaking £16 billion longevity risk transfer and why a Guernsey-based structure was used.

"It was important for the trustees that they felt comfortable with the jurisdiction and Guernsey certainly meets that. It has a good legal framework and a good regulatory environment," said Mr Coles, pictured left.

He added that Guernsey's utilisation of the incorporated cell company structure was also the most appropriate and practical way of meeting the needs of the transaction.

"The regulator and all of the companies in Guernsey recognise the business activity. They understand the risks and that is very helpful. Guernsey is open for quality business," said Mr Coles.

"From our particular experience we have met and now use a number of very experienced and talented people with both insurance and captive knowledge and they have been very adaptable and flexible in helping us to land what was quite an innovative transaction for the scheme - to actually create its own captive, certainly in a transaction of this size."

In addition to Mr Coles' keynote presentation, a panel discussion examined captive insurance solutions, longevity trends, needs and future opportunities and how Guernsey has been able to position itself so effectively in this area through the use of cell company structures, regulation and reinsurance capacity. Moderated by captive insurance veteran Malcolm Cutts-Watson, the panel consisted of Ian Aley of [Towers Watson](#); John Dunford of the [Guernsey Financial Services Commission \(GFSC\)](#); Philip Jarvis of [Allen & Overy LLP](#); Paul Kitson of [PwC](#) and Andy McAleese of [Pacific Life RE](#).

Guernsey Finance Chief Executive Dominic Wheatley said it was fascinating to listen to Mr Coles' insight into BT's record-breaking deal with the Prudential Insurance Company of America.

"BT's pension scheme is one of the largest in the UK so John's endorsement of Guernsey is very powerful. He emphasised the expertise and experience present within Guernsey's insurance community and how our risk-based regulatory approach meant that the challenges involved in such a large transaction were reduced," said Mr Wheatley.

"The panel debate was also very informative. The way Malcolm structured and moderated the discussion around a specific narrative meant it was easy for the audience to engage in the debate and to understand the concept."

Hugh Rosenbaum, Retired Principal of Towers Watson, was one of those in attendance at the British Museum. He said he appreciated the insight provided by the speakers.

"I appreciated their willingness to include details of the BT transaction, which emphasises the advantages without overlaying the Guernsey message too heavily - that was very important for this audience who were very technically-minded," said Mr Rosenbaum.

David Turner, Senior Director at Fitch Ratings, and Daniel Kilty, Longevity Manager for Munich Re were similarly impressed with the event.

"I thought the quality of the speakers was very good. It was an interesting topic, well presented and a great venue. I will be talking to Guernsey very soon," said Mr Turner.

Mr Kilty added: "It's a really interesting area. It's got so much potential for the future and it was a great event to get

a good introduction to what has been the biggest deal for Guernsey and the potential for Guernsey. It was quite high level and a really interesting event."

Sponsors of the event were [Artex Risk Solutions](#), [Carey Olsen](#), [Towers Watson](#) and [Willis](#). The event was supported by media partners, [Investment & Pensions Europe](#) and [Artemis.bm](#).

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