

ILS HELPS GUERNSEY LICENSE 89 INTERNATIONAL INSURERS IN 2013

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The [Guernsey Financial Services Commission \(GFSC\)](#) licensed 89 new international insurers during 2013.

This includes 10 limited companies, 6 Protected Cell Companies (PCCs), 63 PCC cells, 2 Incorporated Cell Companies (ICCs) and 8 ICC cells.

It means that there were 758 international insurers licensed in the Island at the end of December 2013. This number comprises 242 limited companies, 69 PCCs, 414 PCC cells, 7 ICCs and 26 ICC cells.

It compares to a total of 737 international insurers being licensed by the GFSC at the end of December 2012, which means there has been net growth of 21 entities during the year.

Fiona Le Poidevin, Chief Executive of Guernsey Finance - the promotional agency for the Island's finance industry, said that a significant proportion of the licences issued last year were associated with structures related to Insurance Linked Securities (ILS).

She said: "It is pleasing to see that Guernsey remains a popular international insurance centre. These figures build on last year's very strong performance and together mean that nearly 200 international insurance entities have been licensed in the Island during the last 24 months. The increases continue across the different types of entities, although there is particularly strong growth in PCC and ICC cells and especially in relation to ILS structures.

"Guernsey's international insurance expertise, our close proximity to both London and Zurich and our access to major global capital markets mean that we are increasingly viewed as a centre of choice for ILS. We are looking to build on this during 2014 through a number of different marketing and promotional activities which will highlight that Guernsey not only has a particularly experienced insurance sector but also a large investment funds community so is able to bring together both sides of the ILS equation."

The [Guernsey office of Bedell Cristin](#) acted in an ILS deal that received an accolade from [Islamic Finance News](#). It was judged the top deal in the European category and one of the Islamic finance deals of the year in 2013.

The [Bedell Cristin](#) legal team in Guernsey, led by Partner Mark Helyar, was instrumental in devising the structure, the Salam III, Sukuk Wakalah Programme, on behalf of the European insurance group FWU AG. The deal was US\$100 million in size and the first tranche of US\$20 million closed in October.

Bedell Cristin was Guernsey counsel to the issue and the issuer and worked alongside the European Islamic Investment Bank, Rasmala Group and legal firm Morgan, Lewis and Bockius. [Aon Guernsey](#) was appointed as the insurance manager and a primary listing is being sought on the [Channel Islands Securities Exchange \(CISE\)](#).

[Islamic Finance News](#), described as the world's leading Islamic Finance News provider, judged this deal to have stood out as innovative among the deals undertaken in Europe in 2013.

Paul Sykes, Managing Director of Aon Guernsey and Chairman of the Guernsey International Insurance Association (GIIA), said: "Guernsey continues to provide an attractive environment for establishing a wide variety of international insurance entities, including ILS structures, and we see significant opportunities for growth in the management of Sharia compliant insurance products. Of particular importance is our regulatory regime which continues to respond to innovative proposals while also offering proportionality through meeting the insurance core principles of the [International Association of Insurance Supervisors \(IAIS\)](#).

"Indeed, the [European Captive Insurance and Reinsurance Owners' Association \(ECIROA\)](#) recently highlighted that Solvency II is now due to be implemented from 2016 and, as it stands, eight out of 10 European captives would fail to qualify for simplified solvency capital treatment under its provisions. ECIROA added that if the rules go unchanged many captives will be forced to close or move outside of the EU to escape the onerous capital and

reporting requirements required under Solvency II.

"Guernsey announced in January 2011 that there were no immediate plans to seek equivalence with Solvency II and that decision has provided our clients with certainty regarding our regulatory regime. Guernsey's solvency regime is being evolved within the IAIS framework which properly recognises captive insurance companies and we expect that it will continue to be viewed positively by our client base in the future."

Guernsey was named 'European captive domicile of year' at the UK Captive Services Awards 2013 and independent research carried out by trade publication Business Insurance in March 2013 ranked Guernsey as the largest captive insurance domicile in Europe and number four in the world.

The most recent information from the GFSC shows that Guernsey's international insurance industry had gross assets, net worth and premiums of £22.90 billion, £9.34 billion and £4.63 billion respectively in 2012.

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced.

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