

GUERNSEY'S CAPTIVE INSURANCE EXPERTISE SHARED WITH HONG KONG AUDIENCE

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The advantages of utilising captive insurance vehicles as opposed to insuring through the commercial insurance market were highlighted at Guernsey's insurance masterclass in Hong Kong.

Guernsey, which is well-known in the Western world as the leading captive insurance domicile in Europe, has recently signed [Memoranda of Understanding \(MoU\)](#) with both the [China Captive Alliance](#) and the [Kashgar Government](#). Both agreements set out a statement of intent to facilitate captive insurance market development initiatives and information sharing between the parties.

Kate Clouston, Director of International Business Development at Guernsey Finance, said the Hong Kong event, which took place last week [Friday 4 November], examined the worldwide popularity of captives and their expected rise in popularity in Asia, where captive use is still in its infancy.

"Captives allow for improved risk management and a greater understanding of the cost of risk. Not only that, but they also provide direct access to the wholesale reinsurance market and greater control of claims and result in less reliance on the commercial insurance market," said Miss Clouston.

"It's a concept that is still being understood in China and Asia in general, but that is where future growth in the captives sector will be concentrated, as opposed to the US and Europe where their use and advantages are already well-known. Captives are certainly going to be at the forefront of innovation in Asia's insurance market and Guernsey is proud to be recognised as a centre of excellence in this area. The interest shown by the audience at this event makes us believe there are significant opportunities for Guernsey practitioners to partner with corporate and individual clients in the region and to help build the market."



The captive insurance panel at the event was moderated by Dr Andy Sloan, Director of Financial Stability & International Policy at the Guernsey Financial Services Commission (GFSC). Panellists comprised Caroline Bradley of the GFSC, Geoffrey Cao from the Captive Website of China, Charles Scott of ARM and Rex Ho of PwC.

The event, which also examined the area of employee benefits (EBs), attracted an audience of more than 50 delegates that included insurance and risk managers, family office managers, HR directors, finance directors, lawyers and accountants.

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Nick Griffin, Chief Commercial Officer of Generali Worldwide moderated the event's EB panel. Panellists comprised Pasquale Gorrasi and Paolo Marchiori of Generali Employee Benefits, Cedric Luah of Willis Towers Watson and Nicholas Pirie from Baskerville Chambers. Mr Gorrasi flew in from Brussels especially for the panel session, while Mr Marchiori made the trip from New Jersey to contribute. The discussion in this session concentrated on technological developments in the EB sector, the importance of having global consistency and portability in EB structures to ensure employers can retain talent and the challenges of diverse requirements from internationally-mobile employees.

"Having the expertise and experience to deal with complicated EB structures is important and something that Guernsey has been trusted with by employers, big and small, for well over 25 years," said Miss Clouston.

The masterclass, which took place at the PwC Executive Conference Centre in Central, was sponsored by [ARM](#) and [Generali](#). It is the second event to be hosted by Guernsey Finance in Hong Kong following the launch of its representative office in March earlier this year. The office, which is located at Three Pacific Place in Admiralty, is used by Guernsey Finance as a base from which it can carry out further promotional activities concentrated on the wider South East Asia market, while it is also utilised by the GFSC to provide regulatory advice to those in the region who might be considering Guernsey-specific ventures.

Miss Clouston added: "Following the opening of our Hong Kong representative office in March, insurance has been the sector from which we have seen the most enquiries. We were therefore delighted to have hosted this event in order to share our expertise with companies and individuals in the region on how they can use captive insurance to enhance their risk management profiles.

"We've had some fantastic feedback from those who attended, including the manager of a Hong Kong family office who only found out about the event shortly before it started, but dropped everything else she was doing so that she could be here to learn about captives. She told us her mainland Chinese corporate clients were all asking about captives and their capabilities so she couldn't afford to miss it. As Asia becomes more exposed to international management practices, recognition of the economic efficiency of insurance and the financial efficiency of formal risk management, risk transfer and risk financing models will continue to increase."



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 Dominic Wheatley, 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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