

GUERNSEY REMAINS THE BEST NON-EU DOMICILE FOR CAPTIVES

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Guernsey's flexible and responsive non-Solvency II regime was a key factor as the island was again named the best non-EU domicile at the 2018 European & UK Captive Awards.

The awards, hosted by insurance publication Captive Review, recognise excellence in the delivery and management of captive insurance.

Having also won in 2017, Guernsey was named ahead of three other shortlisted jurisdictions – Delaware, Labuan and the State of Vermont. The award was collected on behalf of the local industry by Richard Le Tocq of Robus.

The judging panel, made up of insurance and captive management professionals with deep expertise in the industry, noted that Guernsey continued to lead the way for captive formations in Europe – more than half of the 17 new licenced structures in Europe in 2017 – and its non-Solvency II regime was a key differentiator. They added that the island's infrastructure and regulatory understanding of the captive concept were unique and provided insureds with a strong captive home in an increasingly difficult environment.

Guernsey Finance Chief Executive Dominic Wheatley said: "Guernsey's regulatory regime is quicker, less prescriptive and offers greater flexibility outside of Solvency II, so I am pleased this was highlighted by the judging panel. The island consistently performs to the highest standards in the captive services industry and retaining this award is vindication of the expertise and level of insurance service in the island."

As Guernsey is not part of the UK or the EU, it is outside the scope of the Solvency II regime. Following a public consultation in early 2017, Guernsey reaffirmed it would not be seeking equivalence with Solvency II. Instead, its own regime distinguishes between different classes of insurer, such as commercial and captive insurers, and places proportionate regulatory burdens on each.

Guernsey observes the IAIS Insurance Core Principles – the global standard for international insurance supervision – and the Guernsey Financial Services Commission maintains a discretion to modify regulatory requirements on a case-by-case basis.

Guernsey's entry, submitted by Guernsey Finance on behalf of the island's insurance industry, made reference to its business-friendly environment, tax neutrality, pragmatic regulation and a wealth of expertise.

Of 853 licenced insurance entities, more than 200 are captive insurance companies, plus many more captive cells. There are over 800 captives in Europe, of nearly 6,500 worldwide, with Guernsey's market share of European business at 38%. The island has also applied its captive expertise to niche markets such as [longevity risk transfer](#).

The entry this year also contained testimonials from clients who have used Guernsey for captive structures.

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BDO's Guernsey office won the Accounting Specialist Category at the awards. Its significant Guernsey operation and market share impressed the judges and the firm demonstrated a strong commitment to the insurance industry – particularly captives and insurance-linked securities (ILS). BDO also demonstrated a high degree of flexibility, most notably in its accounting work with innovative protected cell companies on island.

BDO Audit Director Nathan Hodder said that after winning at last year's UK Captive Awards, it was gratifying to gain recognition amongst the firm's wider European peers.

“Our team puts a lot of effort into remaining at the forefront of developments in the industry and gaining a deep understanding of what makes insurance clients different so that we can offer them the best possible service. We're pleased that the expert judges have recognised our team's dedication to the sector.”

A number of other firms with Guernsey offices, including Generali, Willis Towers Watson, Aon, EY and Marsh were also winners at the event, held in Luxembourg on Tuesday 13 November.

A full list of winners can be found [here](#). Guernsey was also named best European Domicile at the 2016 UK Captive Services Awards.

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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