

GUERNSEY STATUTORY INSTRUMENT

2008 NO. 18

**The Insurance Managers and Insurance Intermediaries
(Annual Return) Regulations, 2008**

<i>Made</i>	<i>12 March, 2008</i>
<i>Coming into operation</i>	<i>12 March, 2008</i>
<i>Laid before the States</i>	<i>, 2008</i>

THE GUERNSEY FINANCIAL SERVICES COMMISSION, in exercise of the powers conferred upon it by sections 20 and 62 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002^a, and after consultation with the States of Guernsey Policy Council, the States of Alderney Policy and Finance Committee and the Chief Pleas of Sark General Purposes and Finance Committee, hereby makes the following regulations:-

Licensed insurance manager's annual return.

1. (1) The annual return of a licensed insurance manager ("**manager**") required in accordance with section 20 of the Law shall comprise the following -

- (a) an original signed copy of the audited accounts,
- (b) a copy of the auditor's management letter or confirmation that no auditor's management letter has been or will be issued; but where the management letter is not available at the time the annual return is

^a Order in Council No. XXII of 2002; amended by the Machinery of Government (Transfer of Functions) (Guernsey) Ordinance, 2003.

submitted to the Commission, it should be submitted as soon as practicable after it is issued to the manager,

- (c) an up-to-date list of all insurers licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002^b, for which the manager has acted during any period covered by the annual return,
- (d) a copy of the cover note evidencing renewal of professional indemnity cover (on expiring terms, or otherwise), including, without limitation, details of any exclusions and geographical limitations,
- (e) confirmation that all material changes to personal questionnaire forms have been notified to the Commission,
- (f) confirmation of compliance throughout the period covered by the annual return with –
 - (i) the Law, and any subordinate legislation made under it,
 - (ii) all applicable Conduct of Business Rules and Codes issued under the Law, and
 - (iii) any condition subject to which the manager is licensed under the Law,
- (g) if the manager is unable to give the confirmation required under paragraph (f), details of any applicable

^b Order in Council No. XXI of 2002; amended by the Machinery of Government (Transfer of Functions) (Guernsey) Ordinance, 2003.

breaches and what action, if any, has already been taken to remedy any applicable breaches and

- (h) that the accounts have been prepared and deposited in accordance with the Law.

(2) The Commission shall be entitled to require a manager to provide periodically further specific information in his Annual Returns which is not described in this regulation.

Licensed insurance intermediary's annual return.

2. (1) The annual return required of a licensed insurance intermediary ("**intermediary**") in accordance with section 20 of the Law shall comprise the following -

- (a) an original signed copy of the audited accounts,
- (b) a copy of the auditor's management letter or confirmation that no auditor's management letter has been or will be issued; but where the management letter is not available at the time the annual return is submitted to the Commission, it should be provided as soon as practicable after it is issued to the intermediary,
- (c) a copy of any internal audit report issued during the year,
- (d) an up-to-date list of all authorised insurance representatives, together with details of current qualifications,
- (e) a copy of the cover note evidencing renewal of professional indemnity cover (on expiring terms, or

otherwise), including, without limitation, details of exclusions and geographical limitations,

- (f) a statement of all insurers with whom the intermediary has placed business in the financial year in question,
- (g) an up-to-date business plan including both financial projections (e.g. cash-flow forecast) and narrative explanation,
- (h) confirmation that all material changes to personal questionnaire forms have been notified to the Commission,
- (i) details of all overseas regulatory licenses, authorisations or permissions indicating the issuing authority and the date of issuance.
- (j) details of any third-party arrangements entered into for the outsourcing of business or the administration of activities, including delegated activities, required by or in respect of licensed activities in accordance with the Law, and details of any other third party arrangements including, for example, introducers,
- (k) details of premium and turnover split by product type and geographical location of clients between -
 - (i) the Bailiwick of Guernsey,
 - (ii) the Isle of Man and the Bailiwick of Jersey,
 - (iii) the United Kingdom and other European Union countries, including EEA States,

- (iv) the United States of America and Canada, and
 - (v) the rest of the world,
- (l) confirmation of compliance throughout the period covered by the annual return with –
- (i) the Law and any subordinate legislation made under it,
 - (ii) all applicable Conduct of Business Rules and Codes issued under the Law, and with any condition subject to which the intermediary is licensed under the Law,
- (m) where the intermediary is unable to give the confirmation required under paragraph (l), details of any applicable breaches and what action, if any, has already been taken to remedy any applicable breaches, and
- (n) confirmation that the accounts have been prepared and deposited in accordance with the Law.

(2) The Commission shall be entitled to require an intermediary to provide periodically further specific information in his Annual Returns which is not described in this regulation.

Annual returns in non-standard format.

3. Where the Commission has, in any particular case, given written confirmation that a format other than the standard format of an annual return may be used, that format will suffice; but the Commission shall not give such confirmation unless all the information required by the standard format is provided.

Repeal.

4. The Insurance Managers and Insurance Intermediaries (Annual Return) Regulations, 2002^c are hereby repealed.

Interpretation.

5. (1) For the purposes of these Regulations, unless the context requires otherwise -

"Commission" means the Guernsey Financial Services Commission,

"the Law" means the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, and

"subordinate legislation" means any Ordinance, statutory instrument, regulation, rule, order, notice, rule of court, resolution, scheme, warrant, byelaw or other instrument made under any enactment and having legislative effect.

(2) Any reference in these Regulations to an enactment is a reference thereto or from time to time amended, replaced, re-enacted, extended or applied.

(3) The provisions of the Interpretation (Guernsey) Law 1948^d shall apply to the interpretation of these Regulations throughout the Bailiwick of Guernsey.

^c Guernsey Statutory Instrument No. 39 of 2002.

^d Ordres en Conseil Vol. XIII, p. 355.

Citation and commencement.

6. These regulations may be cited as the Insurance Managers and Insurance Intermediaries (Annual Return) Regulations, 2008 and shall come into force on the 12th March, 2008.

Dated this 12th day of March 2008.

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P A Harwood

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

EXPLANATORY NOTE.

(This note is not part of the Regulations)

These Regulations define the contents of the annual return to be submitted by licensed insurance managers and licensed insurance intermediaries pursuant to section 20 of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002.