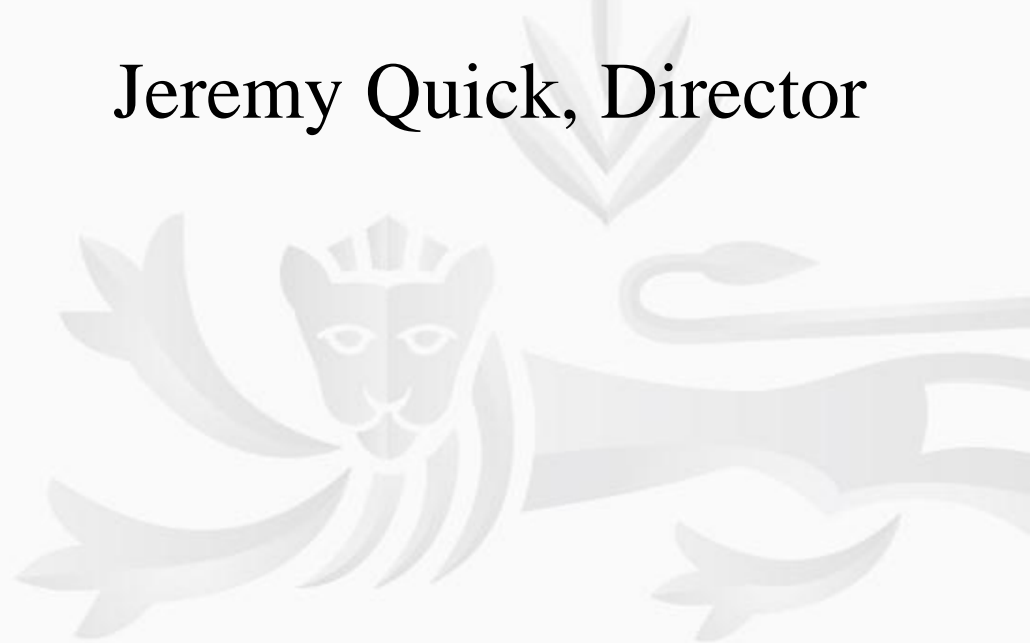




Guernsey Financial
Services Commission

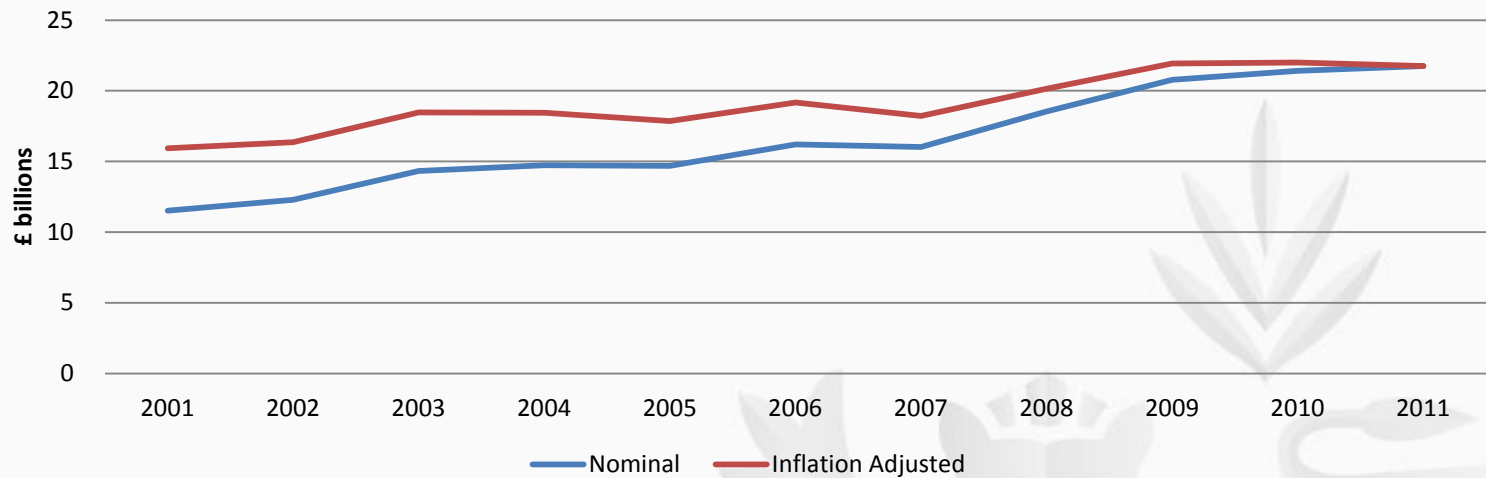
Insurance

Jeremy Quick, Director



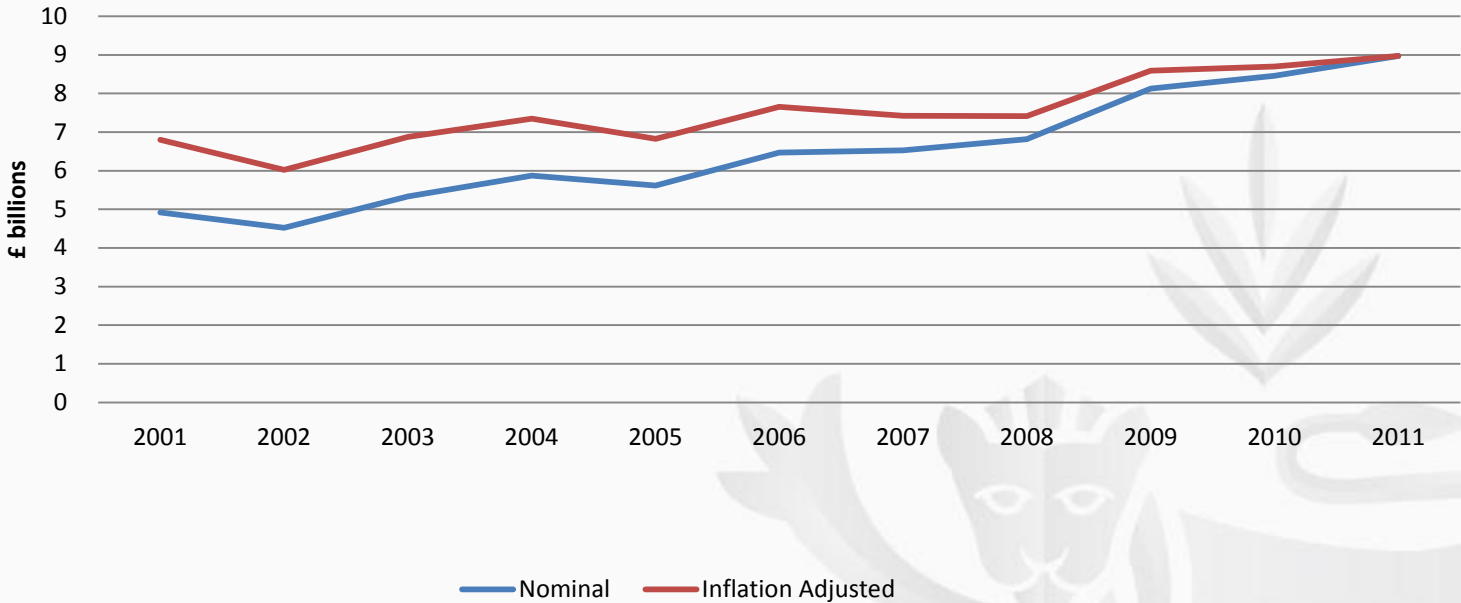
Insurance Division 2011 Results

Gross Assets



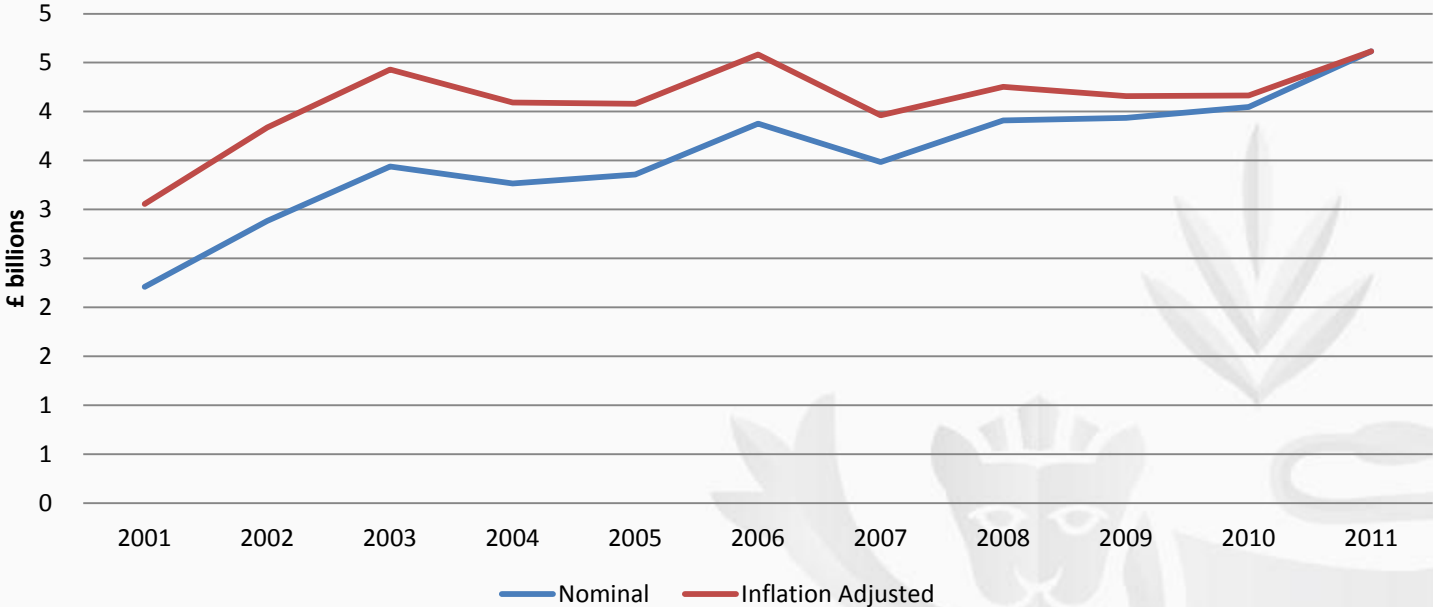
Insurance Division 2011 Results

Net Worth



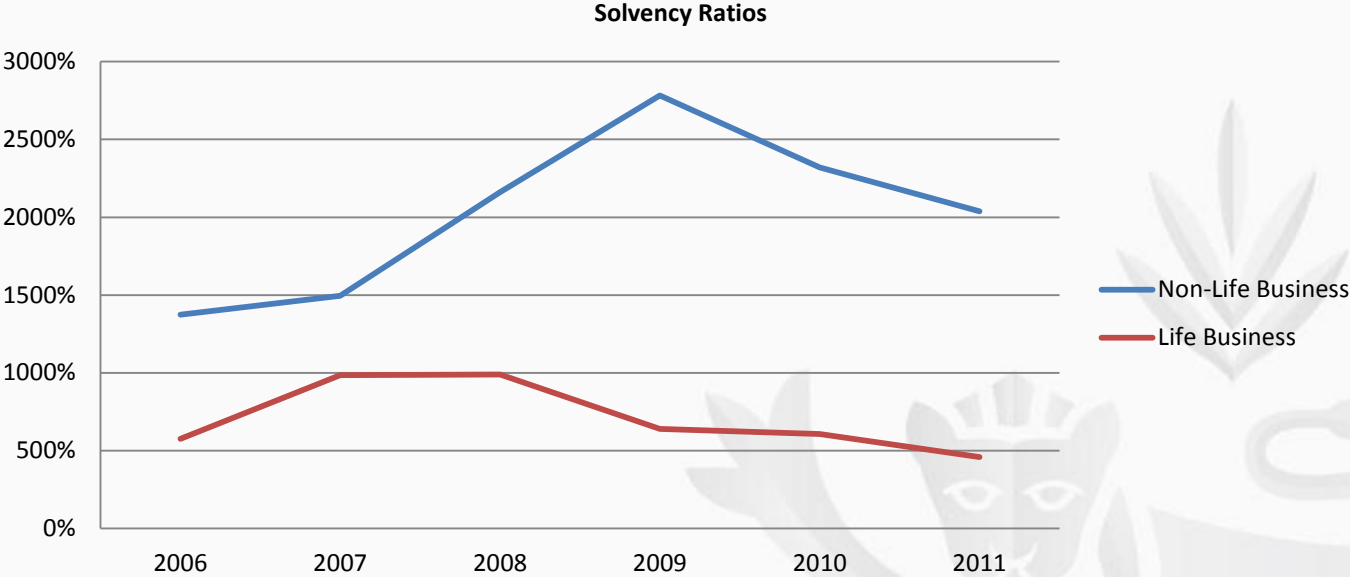
Insurance Division 2011 Results

Gross Premiums

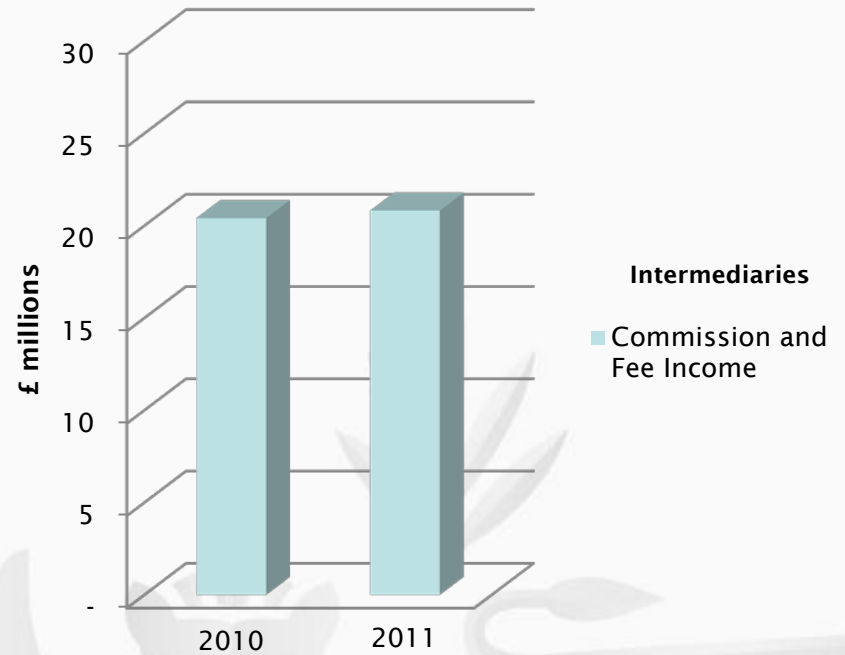
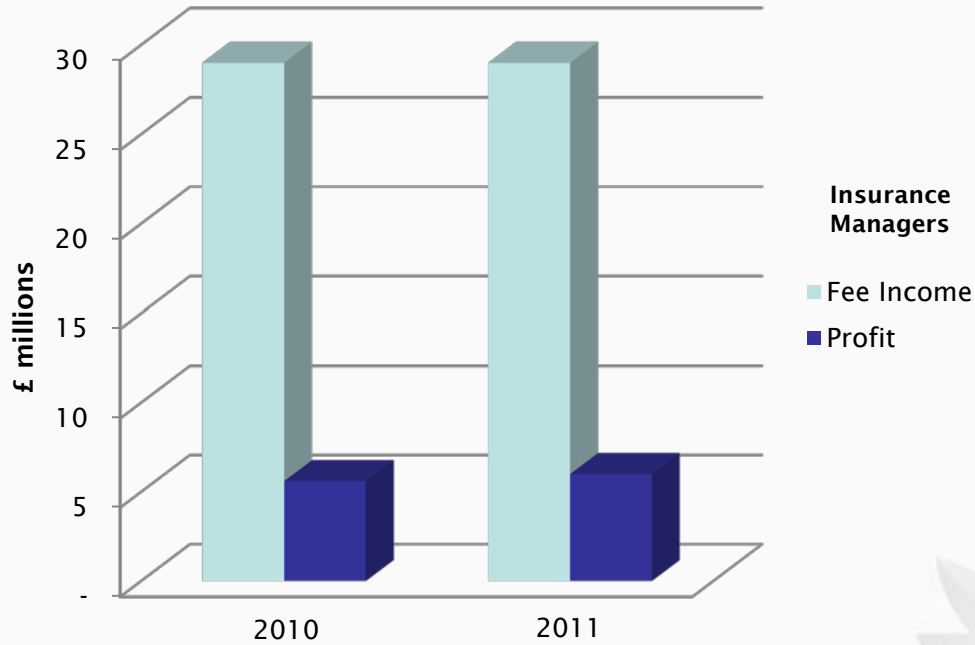


Insurance Division 2011 Results

Solvency Ratios

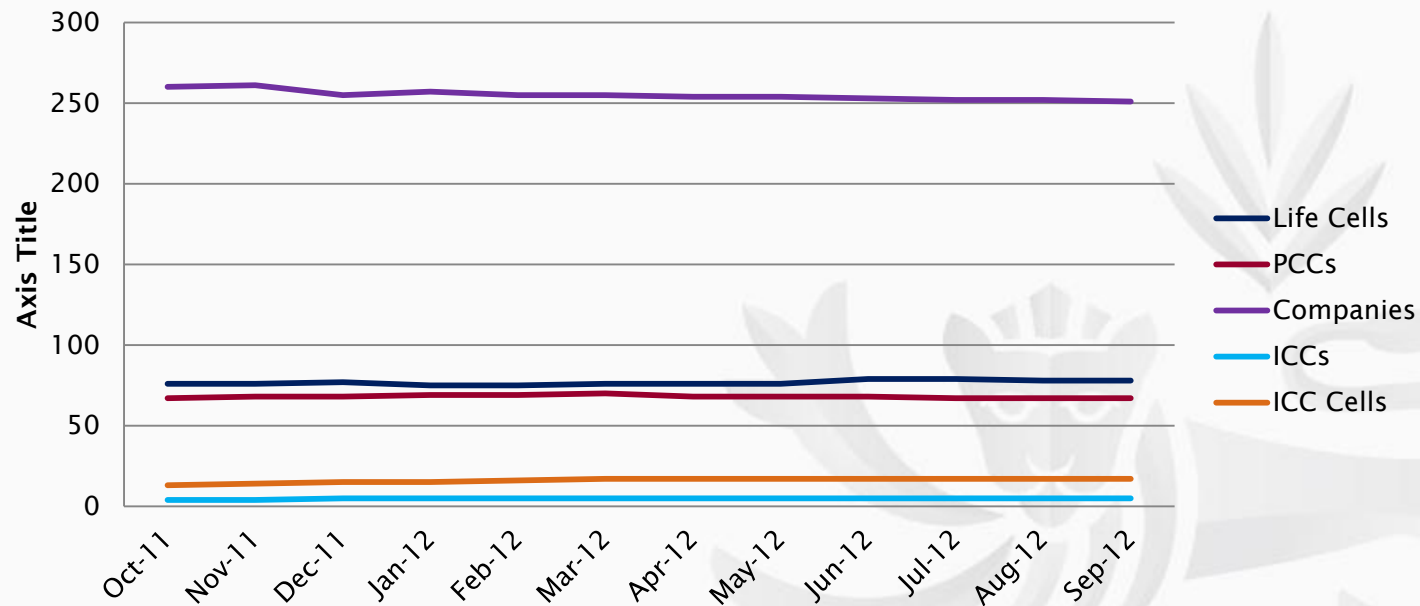


Profit and Loss



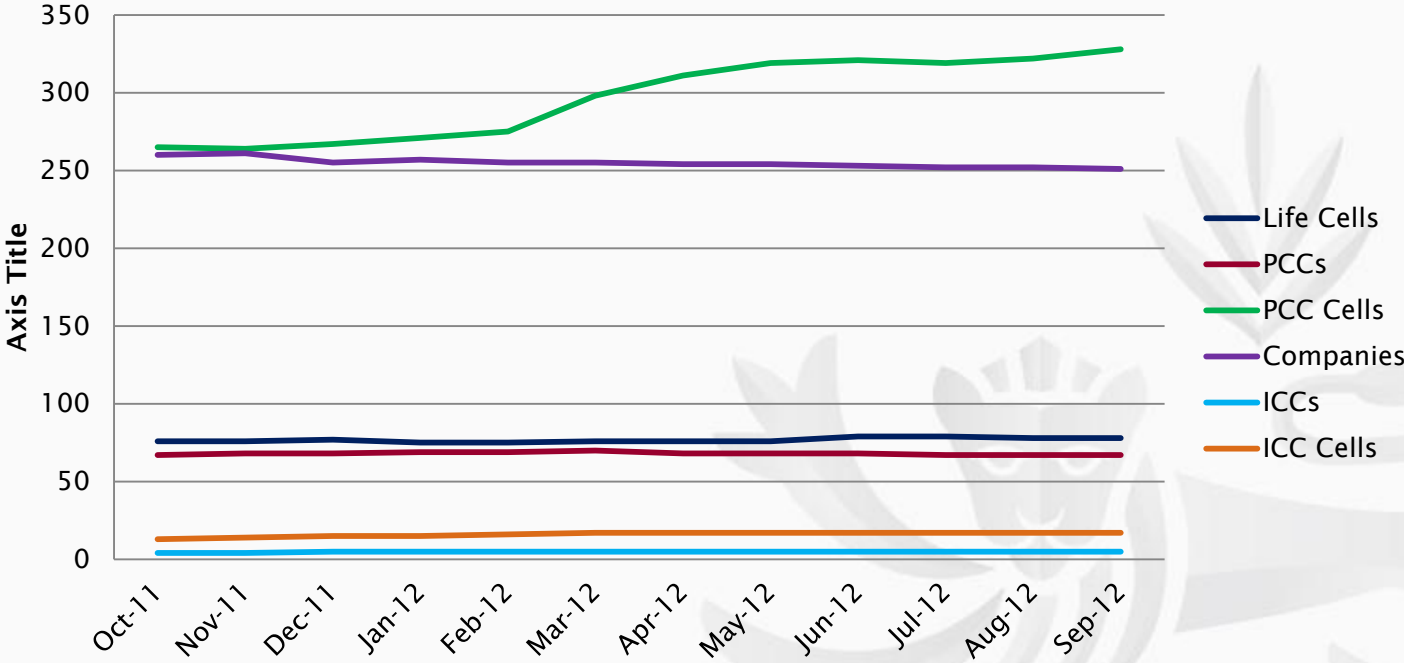
Insurance Division 2011 Results

September 2012: Last 12 months total number of licences issued by type of licence

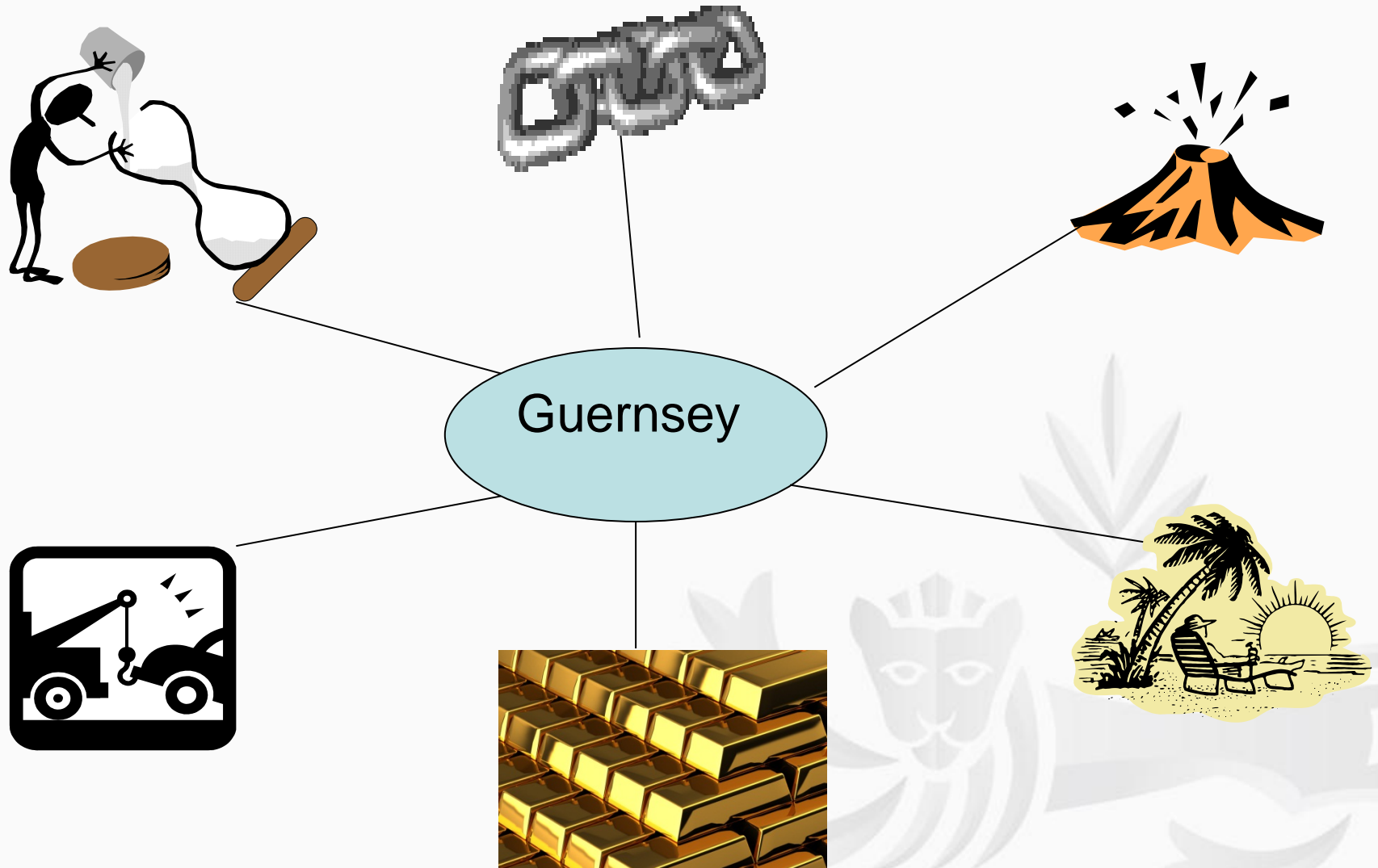


Insurance Division 2011 Results

September 2012: Last 12 months total number of licences issued by type of licence

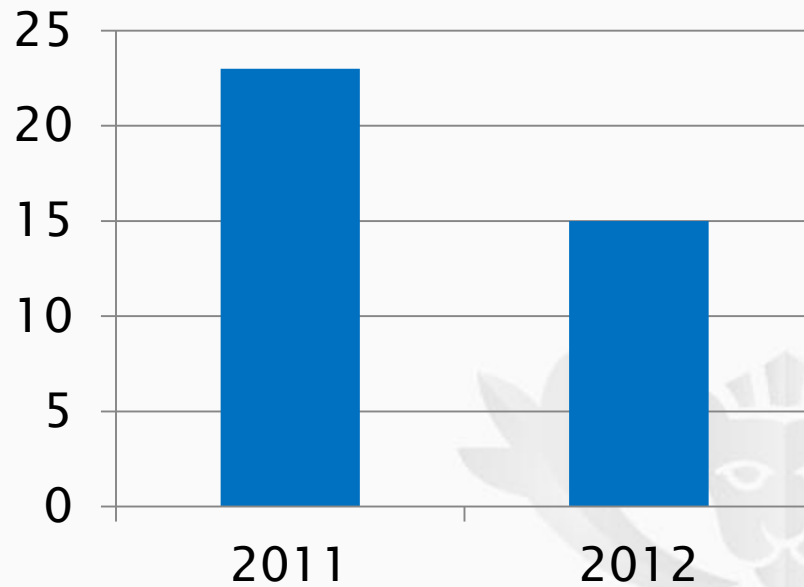


Guernsey within the global context



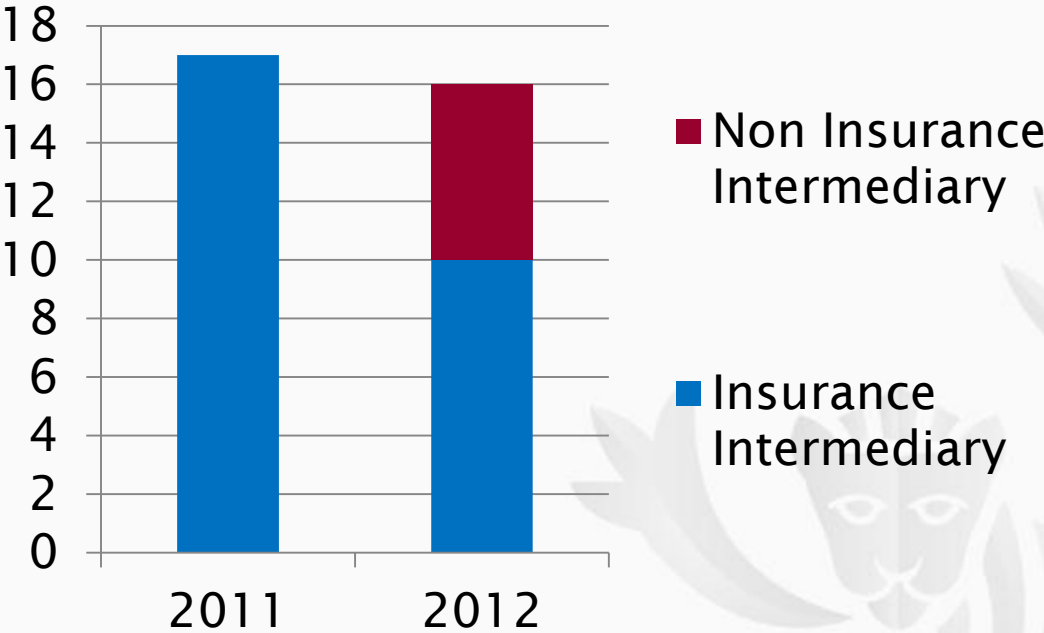
Supervisory Activity

On sites



Supervisory Activity (Cont'd)

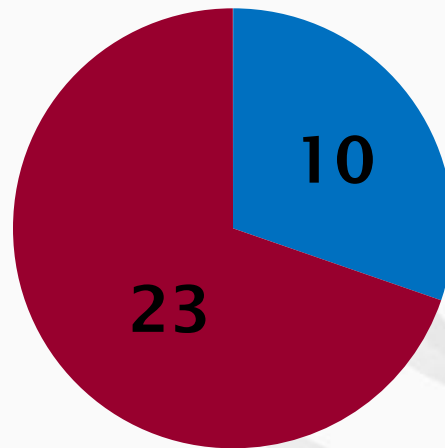
Prudential Meetings



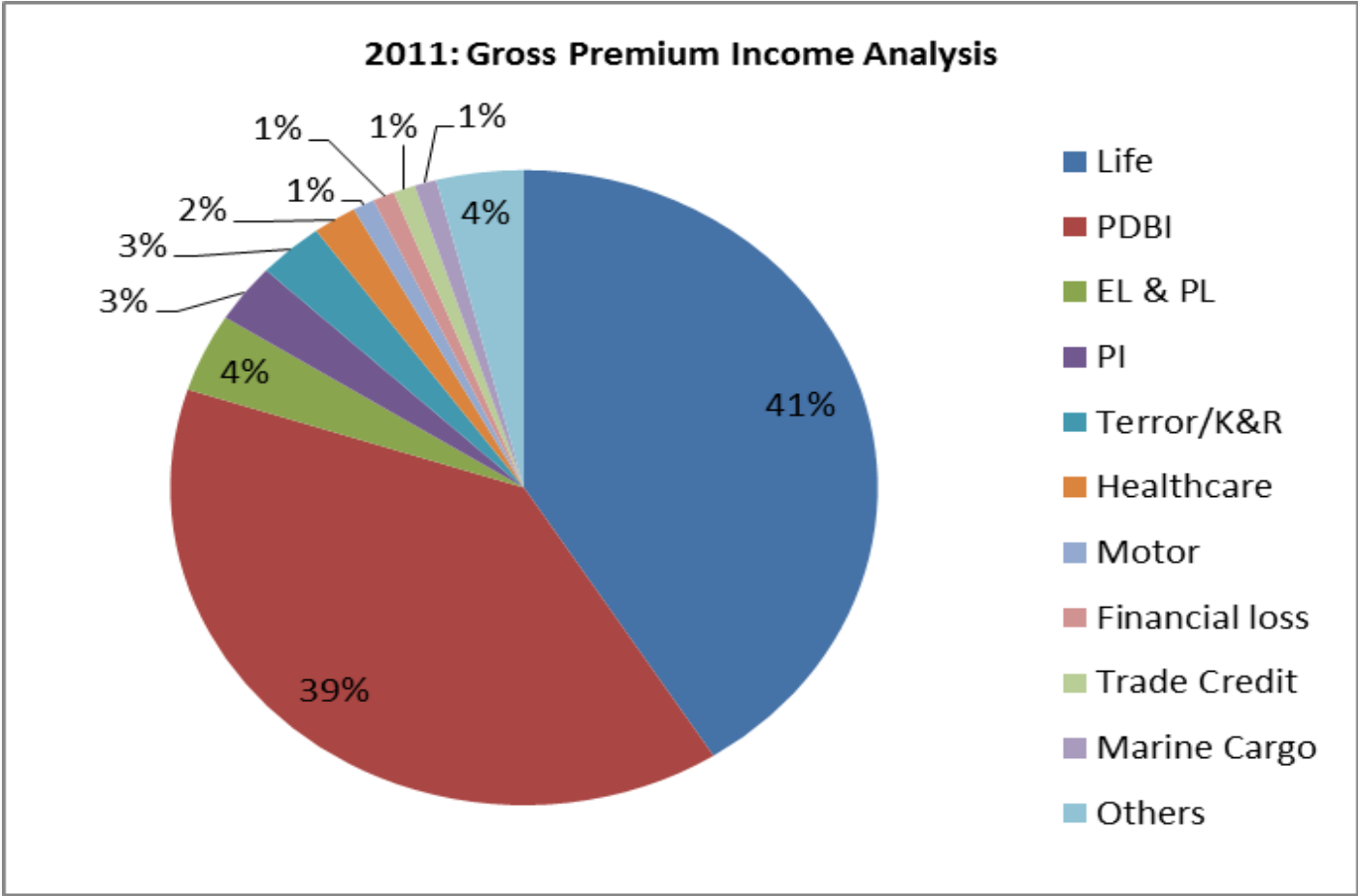
Supervisory Activity (Cont'd)

Enforcement 2012

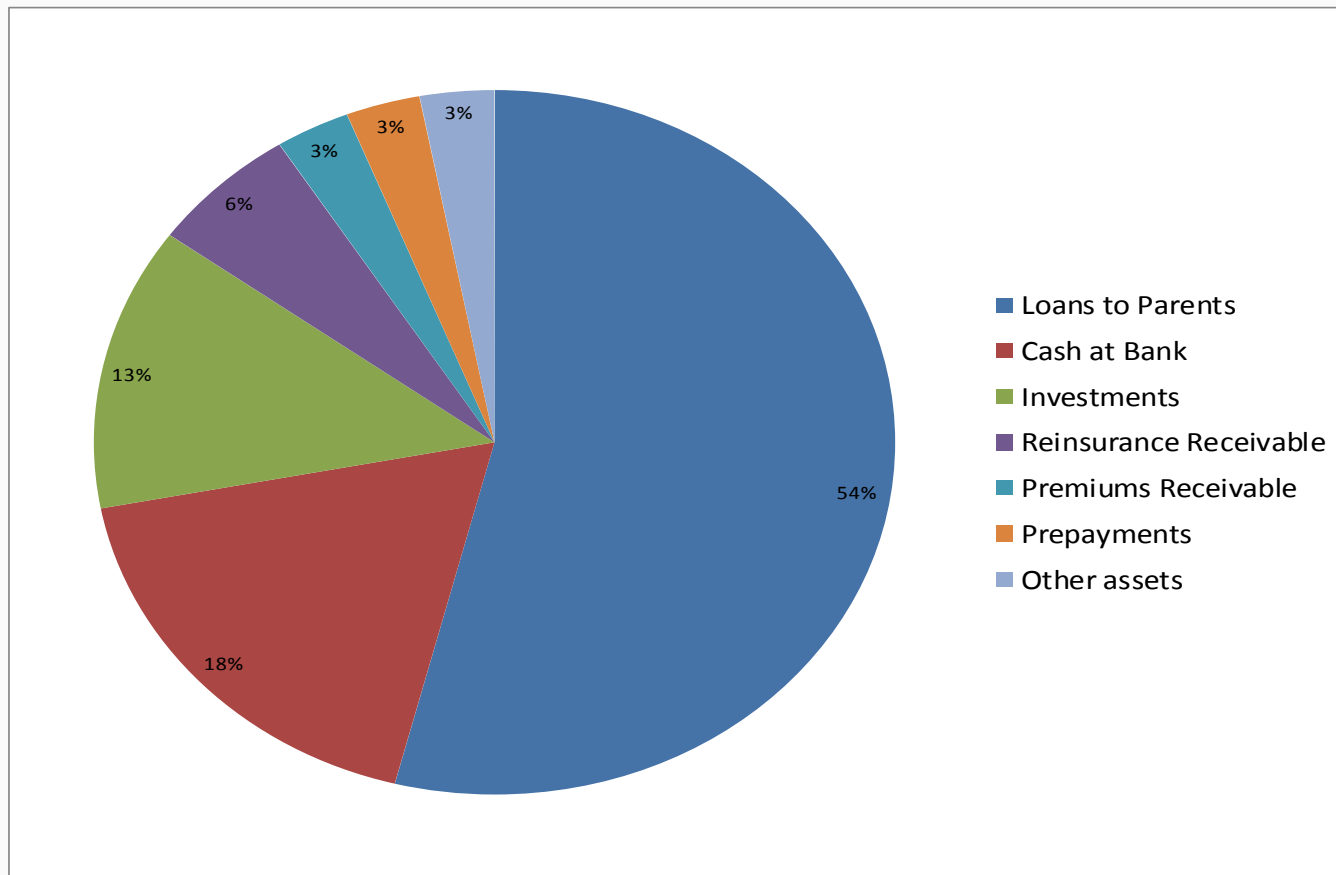
- Sanctions
- No further action



2011: Gross Premium Income Analysis



2011: Analysis of Gross Assets Held by International Insurers (excluding life assets)



International

- Routine – 4 – Europe



- International – 4 – Europe / Worldwide

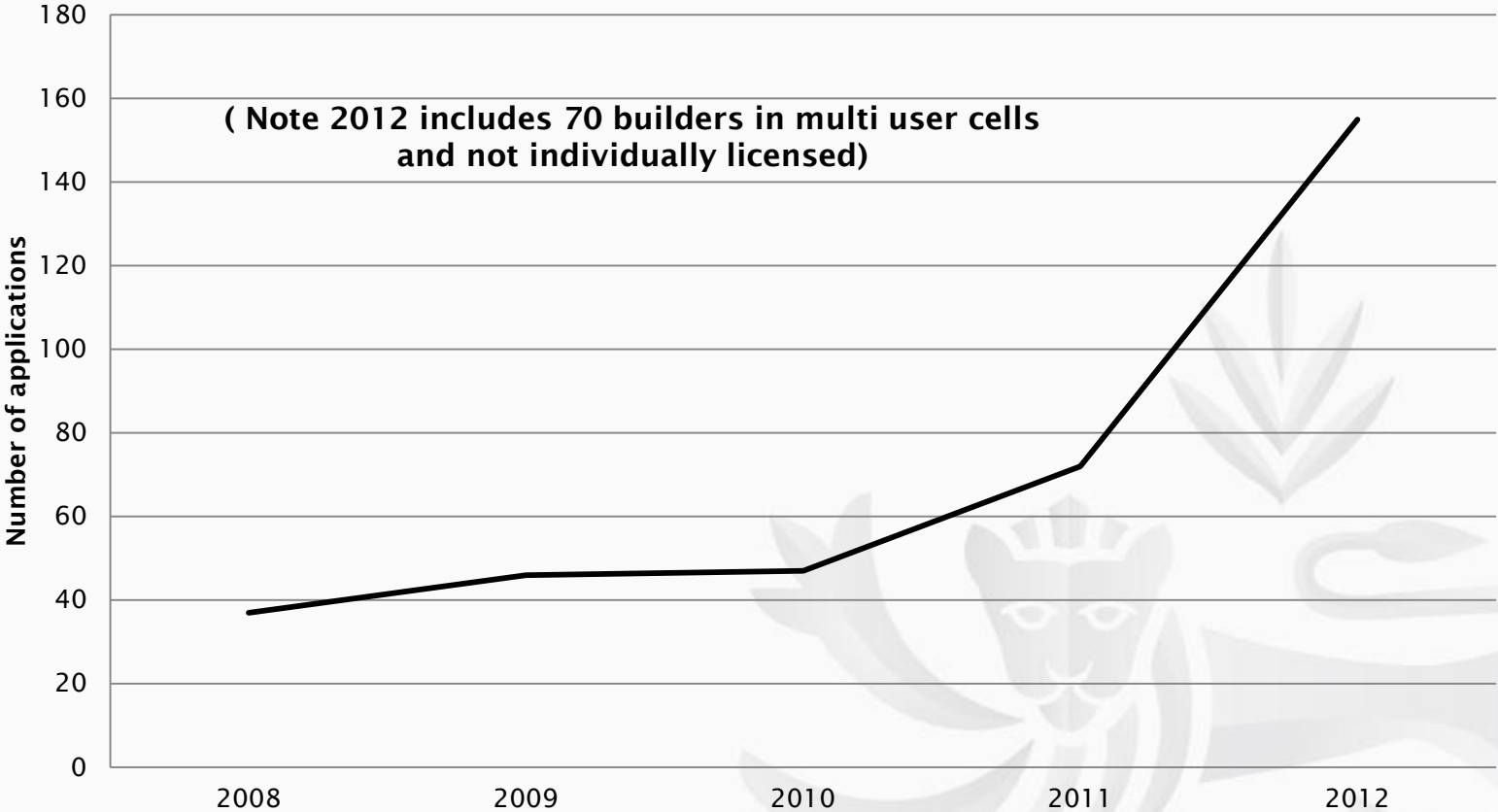


Transformation Projects

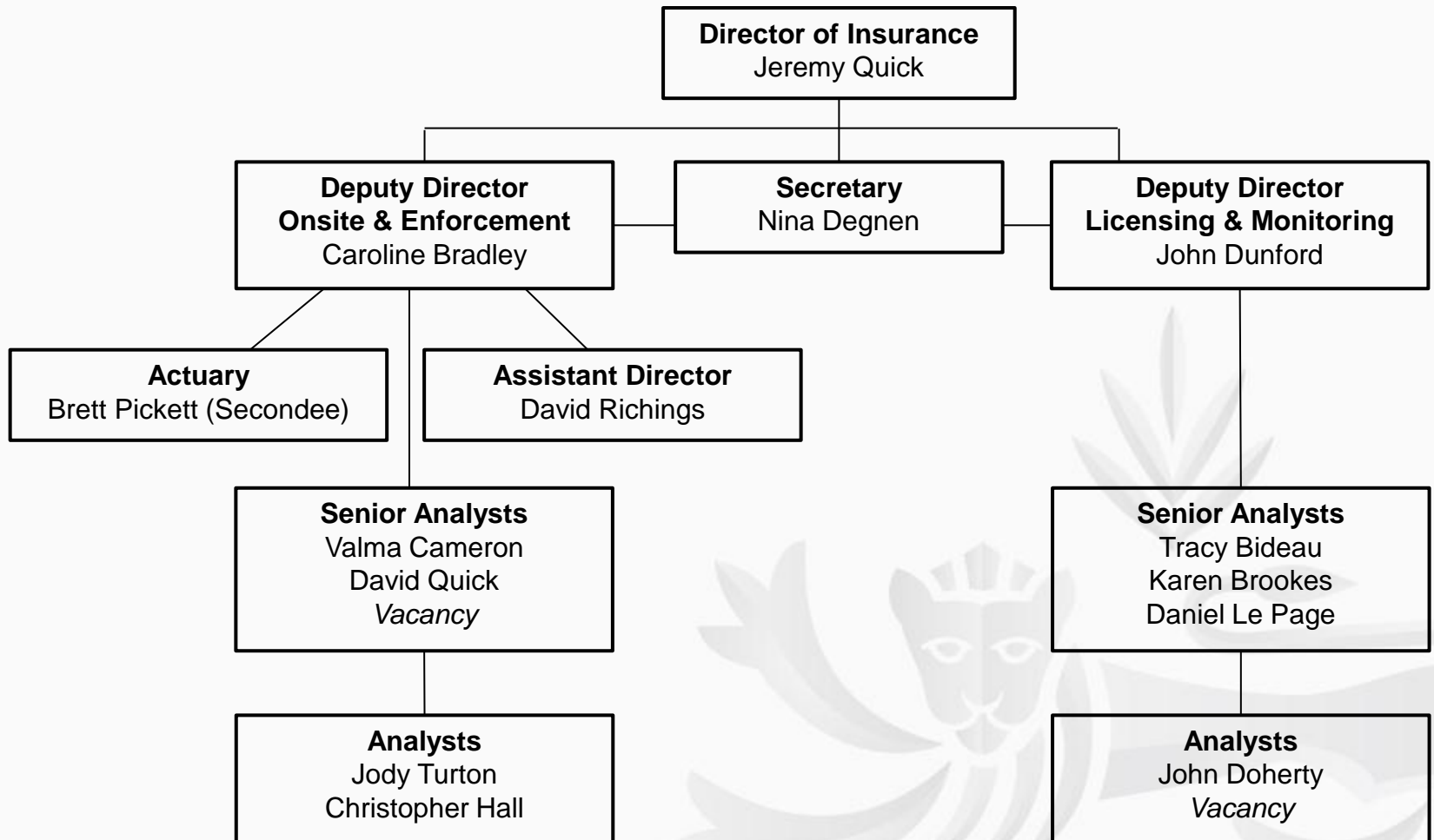
- Authorisations Unit
- AML Division
- Data Management Unit



Applications 2008 - 2012

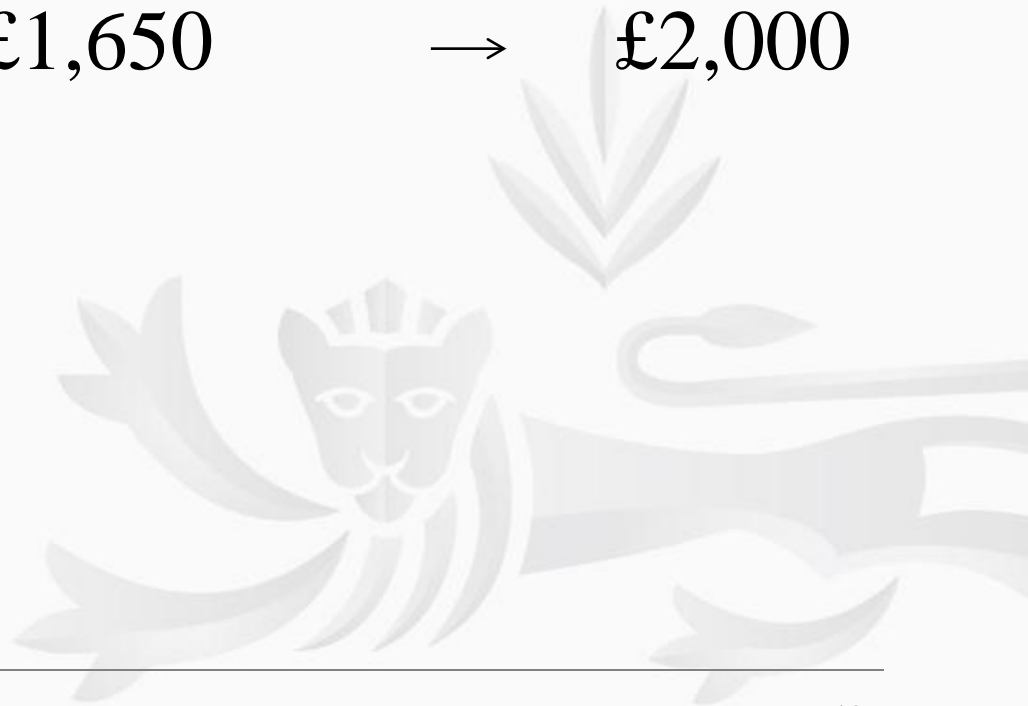


Organogram



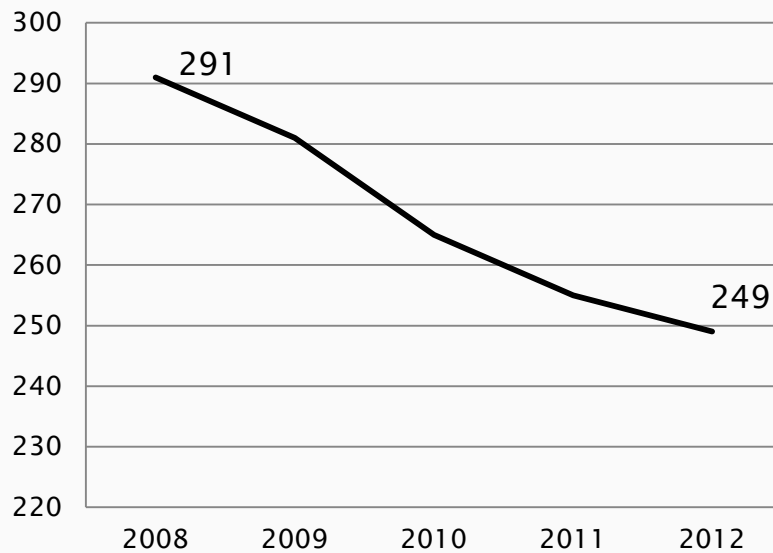
Fees

- 2% Across the board
- Cells
 - Application £1,420 → £2,000
 - Annual £1,650 → £2,000
- Companies £5,040

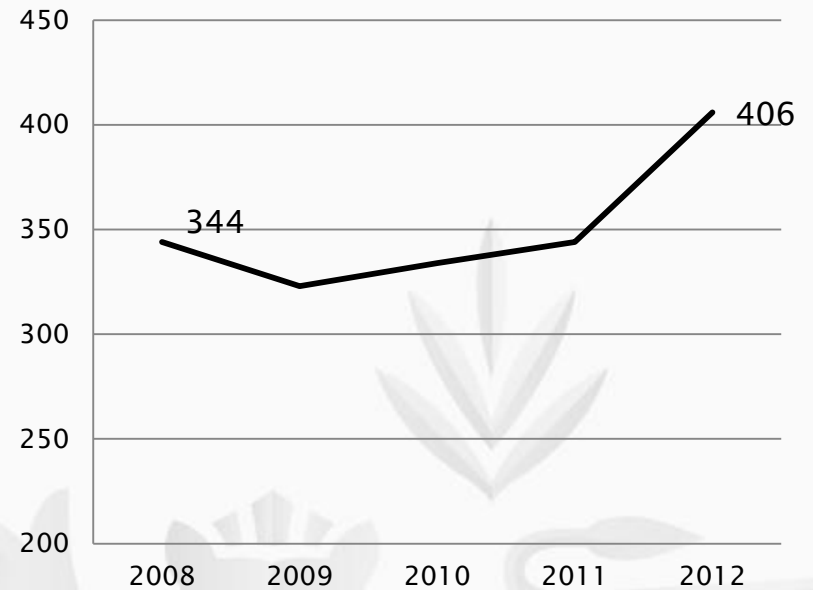


Fees (Cont'd)

Licensed companies Dec 2008 to Oct 2012



PCC Cells Dec 2008 to Oct 2012





Solvency II

- Transitional equivalence
- Q1 discussion
- Next steps



IAIS Discussion Papers

Qualitative

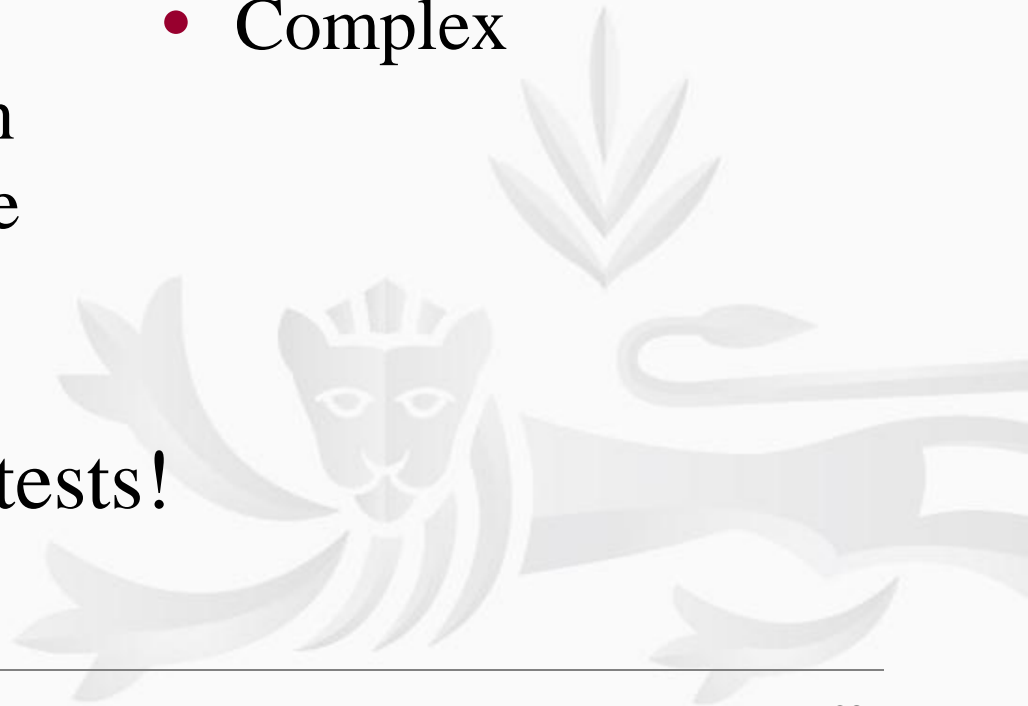
- Groups
- Disclosure
- Ladder of intervention
- Corporate Governance

→ Q4 QIS

→ No 2012 stress tests!

Quantitative

- Simple
- Complex



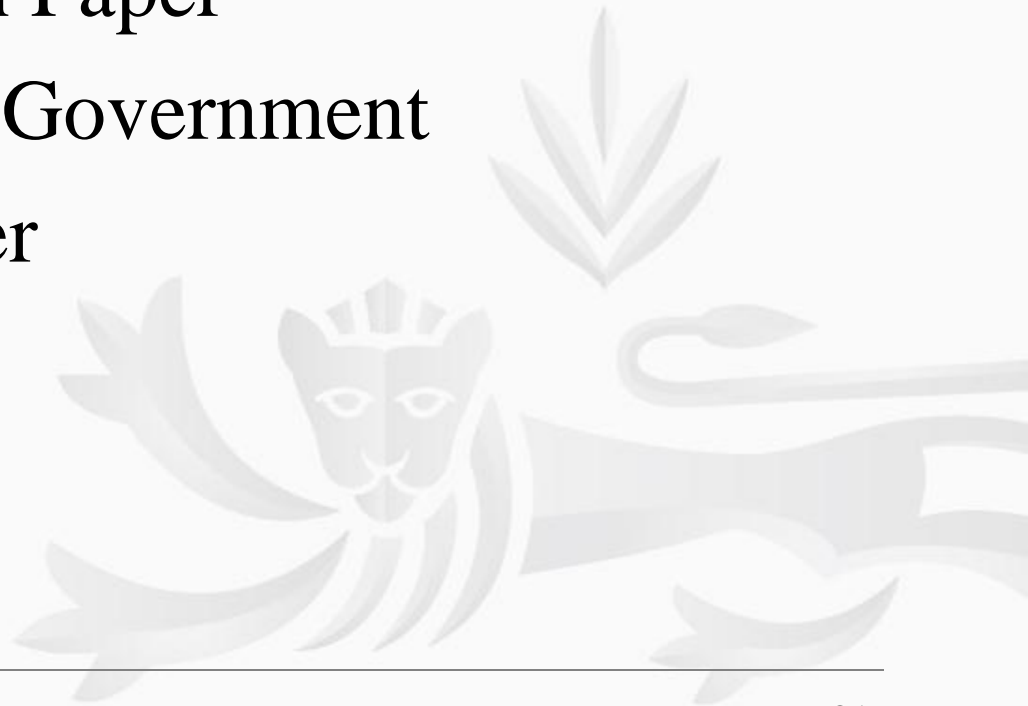
2012 Annual Returns

- Processed in time
- Solvency
- Profitability
- Some technical errors



RDR

- Commissions
- Education requirements
- May Commission Paper
- Discussions with Government
- Government paper



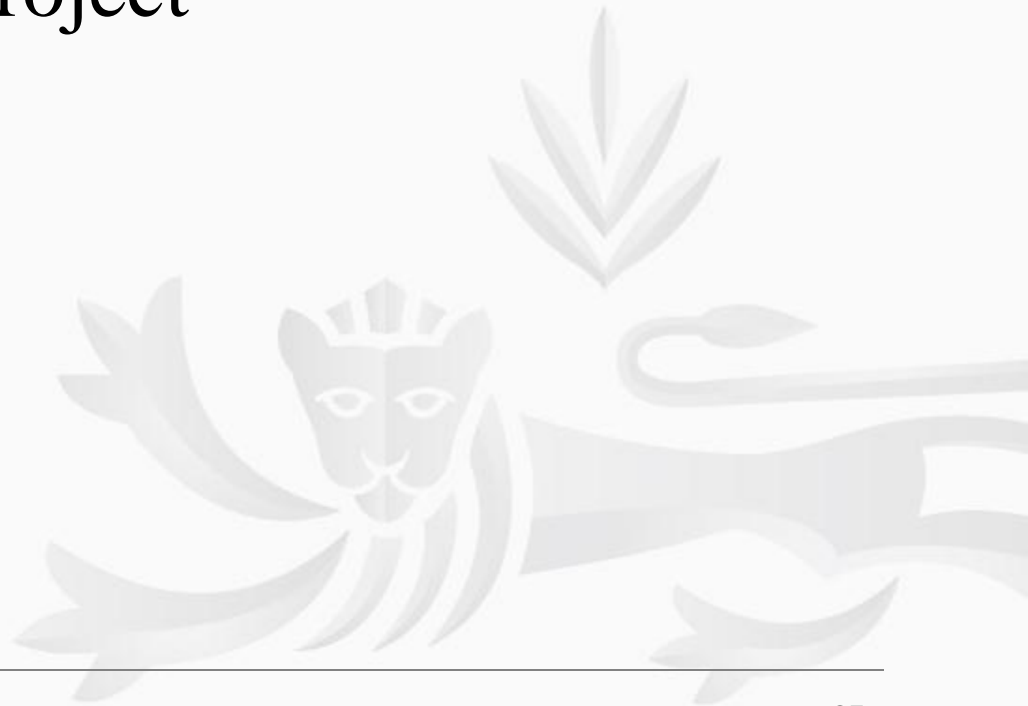
On-Sites Sales Practices

- Client fact finding
- Client risk profiling
- Suitability letters
- 2013 work



Delivery on Key Objectives

- Proactive
- International regulations
- Transformation project
- Statistical base



2013 Supervisory Activity

- Risk-based work
 - Transformation project
- } Hand in hand



Authorisations Unit changes and benefits

All PQ/PDs will be processed centrally by the Authorisations Unit

Benefits:

- Single point of contact and response for PQ/PDs
- A common and consistent approach to dealing with PQ/PDs
- PQ/PDs are immediately recorded and dealt with sequentially – removes the previous divisional peaks and troughs
- A common approach to due diligence
- Enhanced IT provides real time status of submissions

Sentinel Programme - The Five Pillars

- **Extranet** – Online/electronic submissions and licensee engagement. Exploring opportunities with other regulators, including Jersey.
- **Operating platform** – Evaluating the best way to integrate Workflows, Document Management and build on our existing CRM investment.
- **Risk Based Supervision methodology** – In dialogue with the other regulators to assess how they've approached this.
- **Data Management** – The creation and management of the data we need to feed the systems.
- **Reporting methods** – What are the industry standards we need to embrace?

The approach

- The intention is to take a modular, phased approach and buy-in/adopt proven technologies wherever possible.
- The programme will be underpinned by change management best practice.
- Through GIBA, a working party has been established with industry, which meets monthly.

AML Division changes and benefits

1. Co-ordinated Regulatory Division onsite visits occurring concurrently

Benefit: Will minimise the level of inconvenience to those visited by co-ordination of Regulatory Division onsite visits occurring concurrently

2. Introduction of the AML/CFT Questionnaire

Benefits:

- Increased timeframe for FSBs, NRFSBs and PBs to complete and return AML/CFT Questionnaire and supporting documentary evidence
- Provides AML Division with a greater understanding of the business prior to commencing visit
- Increased efficiency and optimisation of the Commission's time during on-site visits

AML Division changes and benefits cont'd.

3. Application of standardised AML and CFT processes

Benefit: An efficient, effective and consistent approach to AML and CFT

4. Centralisation of AML and CFT

Benefit: A Division which is exclusively focused on AML and CFT

5. Application of a Commission-wide risk based approach to AML and CFT

Benefit: An approach which is consistent with the revised international standards published by Financial Action Task Force and which reflects the AML risks in the jurisdiction's finance sector

Questions & Answers

Jeremy Quick

- Director

Caroline Bradley

- Deputy Director

John Dunford

- Deputy Director

