

Insurance Supervision and Policy

Jeremy Quick, Director

Caroline Bradley, Deputy Director



Insurance Supervision and Policy

- Business level
- Opportunities
- Risks



Insurance Supervision and Policy

Caroline Bradley, Deputy Director



Applying the Insurance Core Principles

Agenda

- Review of 2013 activity
- Look ahead to 2014
- Legislative changes
- Streamlining of workflows
- Impact and Risk – practical considerations



Review of 2013 activity

- Statistics
- Solvency – framework developed – ICPs 14-17
- Corporate Governance – ICPs 7&8
- Public Disclosure – ICP
- IAIS Captive Application Paper



Statistics

- At end 2012
 - Gross Written Premiums £4.63bn
 - Gross Assets £22.9bn
 - Net worth £9.34bn
- Flat in relation to 2011 but overall trend is still upwards



Statistics cont'd

- New business in 2013 (at 30 September)
 - Companies 6
 - PCCs 5
 - PCC cells 47
 - ICC cells 4
- PCC cell growth dominated by ILS cells
- More cells than companies

Solvency – ICPs 14-17

- Extensive discussion with industry – GIIA
- Capital Impact Assessment Q1 2013
- Consultation paper issued 24 September 2013
- Continuing discussion with GIIA RATS
- Consultation closes on 16 December 2013
- Feedback paper to be issued Q1 2014

Corporate Governance ICPs 7&8

- Proposal to withdraw current Licensed Insurers' Corporate Governance Code and replace with Corporate Governance Rules
- Draft Rules are included in the consultation paper

Public Disclosure – ICP 20

- Proposed amendments to current Rules
- De minimis exemption for small firms i.e.
 - GWP <£5m
 - Technical Provisions <£25m
- Captives are exempt
- Reinsurers are exempt

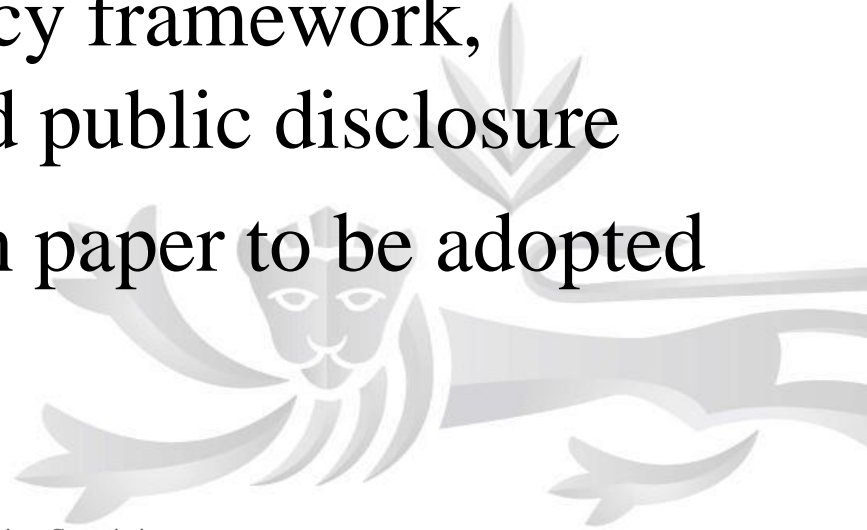


IAIS Captive Application Paper

- Drafting work continued during 2013
- Reviewed by GIICS in May 2013
- Final drafting meeting in November 2013
- IAIS Roadmap for adoption in 2014

Look ahead to 2014

- Analyse consultation responses and issue feedback document – Q1
- Finalise proposed solvency framework, corporate governance and public disclosure
- IAIS Captive Application paper to be adopted
- Finalise ICP gap analysis



Legislative changes

- Amend Insurance Business Law as required
- Regulations – Licensing, Annual Return
- Rules – Solvency, Corporate Governance, Public Disclosure
- Guidance – Issue guidance around all new regulations and rules



Streamlining of workflows

- Applications – fast track being developed
- Annual returns – reduced requirements
- Business plan changes – issue guidance
- Loans – some automatic approval
- PQs for cell controllers
- Directors and alternates – manager staff



Impact & Risk – practical considerations

- On-site visits – thematic
 - Corporate Governance
 - Controls
 - Retail customers
- Routine meetings



Other risk matters

- Due diligence
- Tax structures
- Retail customers
- Corporate Governance
- Emerging insurance risks

