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Guernsey Financial
Services Commission

POLICY STATEMENT: INSURANCE GROUP WIDE SUPERVISION

Issued May 2015

Approach to Insurance Group Wide Supervision

Group Wide Supervision

1. Guernsey does not currently serve as the home jurisdiction for any insurance group and the Guernsey Financial Services Commission (the “Commission”) does not intend to assume the role of Group Wide Supervisor¹ for any insurance group.
2. Assumption of the Group Wide Supervisor role requires a supervisor to establish an effective Group Wide Supervision framework involving the allocation of considerable supervisory resource. Owing to the costs inherent in building the required supervisory framework, the limited availability of supervisory resources and the likely residual supervisory risk retained, the Commission will not assume the role of Group Wide Supervisor. It is the policy of the Commission, therefore, that it would not license an insurer where a Group Wide Supervision responsibility would arise on the part of the Commission.
3. Nevertheless, it is possible in the future that the industry may seek to base insurance groups in Guernsey and the Commission may choose to review its policy on the formation of such structures in the jurisdiction. In the event that an amendment to this policy position was to be proposed, the Commission would consult with industry on any such proposal.

Host Supervision

4. During the licensing application process, where an applicant is a subsidiary of a regulated entity in a foreign jurisdiction, the Commission will inform the supervisor in that jurisdiction that an application has been received and seek confirmation from the home regulator that the applicant is authorised and in good standing.
5. Similarly where an applicant for a licence is a non-locally incorporated domestic insurer, the Commission will seek confirmation from the supervisor in the jurisdiction of incorporation that the insurer is authorised to carry on the types of insurance business proposed and in good standing.
6. Where an applicant is/or will be part of an insurance group subject to group wide supervision the Commission will seek confirmation from the Group Wide Supervisor as to the identified scope of the group and the applicant’s place therein.

¹ The IAIS define Group Wide Supervisor as follows: the supervisor(s) responsible for promoting effective and coordinated supervision of an insurance group including coordinating the input of insurance legal entity supervisors in undertaking the supervision of an insurance group on a group-wide basis, as a supplement to insurance legal entity supervision.

Co-operation and Information Sharing

7. The Commission will proactively engage and cooperate with Group Wide Supervisors of entities that are significant to the Guernsey market. The Commission will also cooperate with other Group Wide Supervisors upon request. Such cooperation may include participation in group supervisory colleges, bi-lateral meetings, cooperation during on-site inspections and other information sharing.
8. The Commission's ability to provide information to other regulators is governed by section 80(f) of the IBL which permits disclosure of information that would otherwise be confidential if it is for the purpose of enabling or assisting a relevant supervisory authority in a country outside the Bailiwick to exercise its functions. A "relevant supervisory authority" is defined as an authority that discharges functions corresponding to any functions of the Commission under the regulatory laws or the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as amended.

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