

The Insurance Business (Public Disclosure of Information) Rules, 2018

THE GUERNSEY FINANCIAL SERVICES COMMISSION (“the Commission”), in exercise of the powers conferred upon it by sections 38A and 38B of the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended and of all other powers it enables, hereby makes the following rules.

1. Public disclosure of information

- 1.1 Subject to rule 1.2, a *relevant insurer* with a website must publish its annual audited financial statements together with the information set out in the Schedule, where not already disclosed in the annual audited financial statements, on the *relevant insurer’s* website. This information shall be available on the *relevant insurer’s* website for a minimum period of three years from the *filing date*.
- 1.2 A *relevant insurer* may withhold, redact or summarise all or any part of such information described in rule 1.1 where:
- (a) the disclosure of such information would enable the competitors of the *relevant insurer* to gain undue advantage or otherwise cause detriment to the *relevant insurer*;
 - (b) there are obligations to policy holders or other counterparty relationships binding the *relevant insurer* to secrecy or confidentiality;
 - (c) the disclosure of such information would prejudice the position of the insurer by making public information that is confidential in nature; or
 - (d) where the disclosure of such information may be prohibited by any jurisdiction’s law or may breach a direction issued by the Commission or any other relevant overseas authority.
- 1.3 A *relevant insurer* must file with the Commission on or before the *filing date* an electronic version of the *relevant information*. The Commission shall publish the *relevant information*, or information as to where the *relevant information* is published, on the Commission’s website. This information shall be available on the Commission’s website for a period of three years from the *filing date*.
- 1.4 Where a *relevant insurer* withholds, redacts or summarises any information pursuant to rule 1.2 then the *relevant insurer* must on or before the *filing date* provide the Commission with a written notification, explicitly approved by the relevant insurer’s

board of directors, of the information to be withheld, redacted or summarised and the reason why this has been done.

- 1.5 A *relevant insurer* must publish the *relevant information* within 14 days of the date of filing the *relevant information* with the Commission.

2. Disclosure of information to persons with a valid interest

A *licensed insurer*, to which these Rules apply, shall make its annual audited financial statements available to persons with a valid interest, including current and prospective policyholders and professional advisers.

3. Disclosure policy

A *licensed insurer* must prepare, and keep periodically under review, a disclosure policy that:

- i. identifies the parties responsible for drafting and reviewing the disclosures;
- ii. sets out the processes for completion of the various disclosure requirements and for review and approval by management;
- iii. identifies necessary disclosures additional to the financial statements and the method of disclosure of such information; and
- iv. identifies the specific information for which disclosure is withheld and the basis on which the information has been withheld.

4. Citation, commencement and application

- (a) These Rules may be cited as the Insurance Business (Public Disclosure of Information) Rules 2018 (the “Public Disclosure Rules”).
- (b) These Rules shall come into force on 31 August 2018 and will apply only to licensee financial year ends falling after this date.
- (c) The Public Disclosure Rules apply to all *licensed insurers* other than:
 - i. Category 5 *licensed insurers* as categorized under the Insurance Business (Solvency) Rules 2015;
 - ii. Category 6 *licensed insurers* as categorized under the Insurance Business (Solvency) Rules 2015;
 - iii. Protected Cell Companies; or
 - iv. *licensed insurers* not incorporated in the Bailiwick.

5. Interpretation

“*filing date*” means the date 6 months after the *licensed insurer*’s financial year end.

“*licensed insurer*” means an insurer licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended.

“*relevant information*” means the financial statements and information required to be published by a *relevant insurer* under rule 1.1, subject to the provisions of rule 1.2.

“*relevant insurer*” means a *licensed insurer* other than:

- i. a Category 1 *licensed insurer*, Category 2 *licensed insurer*, Category 3 *licensed insurer* or Category 4 *licensed insurer* as categorized under the Insurance Business (Solvency) Rules 2015 with either: annual gross written premium income not exceeding £500,000, or gross assets not exceeding £2,500,000; providing that, if the insurer is in run off (by which it is no longer taking on new business but still has outstanding liabilities to existing policyholders), it would have met these conditions in its last full year of underwriting;
 - ii. a licensed insurer that has reinsured 75% or more of its insurance risk with a group insurer and where that insurance group makes public disclosures equivalent to those required under these Rules;
 - iii. a Category 2 *licensed insurer* or a Category 4 *licensed insurer* as categorized under the Insurance Business (Solvency) Rules 2015 writing reinsurance for related group insurers only;
 - iv. a Category 2 *licensed insurer* or a Category 4 *licensed insurer* as categorized under the Insurance Business (Solvency) Rules 2015 writing a single class of reinsurance for one fronting insurer in relation to a specific product or arrangement; or
 - v. a *licensed insurer* with a small number of commercial policyholders only.
- (a) Except where the context otherwise requires, any reference in these rules to an enactment includes a reference thereto as from time to time amended, re-enacted (with or without modification), extended or applied.
- (b) The Interpretation (Guernsey) Law, 1948 shall apply to the interpretation of these rules.

6. Transitional Provisions

The Insurance Business (Public Disclosure of Information) Rules, 2010 shall be revoked upon the commencement date of the Public Disclosure Rules. However, a relevant insurer shall continue to comply with the publication requirements under the Insurance Business (Public Disclosure of Information) Rules, 2010 until the date upon which the relevant insurer undertakes publication in accordance with rule 1.1.

SCHEDULE

Information to be disclosed

Profile of the Insurer

Disclosures should include appropriately detailed information about the company profile, including the nature of its business, a general description of its key products, the external environment in which it operates and information on the *relevant insurer's* objectives and the strategies in place to achieve them.

Corporate Governance

Disclosures should include the key features of the *relevant insurer's* corporate governance framework, management controls and risk management framework including how these are implemented.

Technical reserves

Detailed quantitative and qualitative information about the determination of technical provisions should be disclosed.

Insurance Risk

Appropriately detailed quantitative and qualitative information on all reasonably foreseeable and relevant material insurance risk exposures and their management should be disclosed including the use of reinsurance.

Financial performance

Disclosure should include appropriately detailed quantitative and qualitative information on financial performance in total and by segmented financial performance. Where relevant, disclosures must include a quantitative source of earnings analysis, claims statistics including claims development, pricing adequacy, information regarding returns on investment assets and components of such returns.

Capital Adequacy

Disclosure about the financial position of the *relevant insurer* should include appropriately detailed quantitative and qualitative information about capital adequacy. A *licensed insurer* should disclose information that enables users to evaluate the *relevant insurer's* objectives, policies and processes for managing capital and to assess its capital adequacy. This information encompasses the Prescribed Capital Requirement and the Minimum Capital Requirement of the *relevant insurer*. If an internal model is used to determine capital resources and requirements, information about the model must be provided, having due regard to proprietary or confidential information.

Financial instruments

Disclosure about the financial position of the *relevant insurer* should include appropriately detailed quantitative and qualitative information about financial instruments and other investments by class.

ERM and ALM

Disclosure about the financial position of the *relevant insurer* should include appropriately detailed quantitative and qualitative information about enterprise risk management (ERM) including asset-liability management (ALM) in total and, where appropriate, at a segmented level.