

GUERNSEY STATUTORY INSTRUMENT

2008 NO. 15

The Insurance Business (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 33, 37 and 85 of the Insurance Business (Bailiwick of Guernsey) Law, 2002^a, and after consultation with the States of Guernsey Policy Council, the Policy and Finance Committee of the States of Alderney and the General Purposes and Finance Committee of the Chief Pleas of Sark, hereby makes the following regulations:-

Licensed insurer's annual return.

1. A licensed insurer's annual return required in accordance with sections 33 and 37 of the Law shall comprise the following -

(a) an up-to-date business plan to include -

(i) for non-life business -

(A) a spreadsheet showing unaudited financial projections, in the standard

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

format determined by the Commission, as published on its website, showing the anticipated operations of the licensed insurer for the 12 months following the financial year end to which the annual return relates,

(B) a written summary of the licensed insurer's proposed insurance programme with sufficient detail to fully describe the exposures accepted by the licensed insurer,

(C) a summary of the reinsurance programme detailing the reinsurers, security ratings and attachment points, and

(D) any other material factors that may be relevant to the regulation of the licensed insurer in the 12 months following the last financial year-end, and

(ii) for life business -

(A) a summary of the products to be offered and confirmation that the actuary has approved all such products in a form to be specified by the Commission,

(B) a summary of the markets in which the

products are to be offered,

- (C) a valuation report prepared by the actuary in a form agreed with the Commission and prepared in accordance with the standards set by the Commission,
 - (D) unaudited financial projections, in a form to be agreed with the Commission, showing the anticipated operations of the licensed insurer for the 3 years following the financial year-end to which the annual return relates, and such projections should include, but not be limited to, premium volume, sums at risk, reinsurance and capital requirements, and
 - (E) any other material factors that may be relevant to the regulation of the licensed insurer in the 3 years following the last financial year-end,
- (b) a completed margin of solvency and approved asset calculation in the standard format determined by the Commission, as published on its website,
 - (c) a completed declaration of reliance on reinsurers in the standard format determined by the Commission, as published on its website, and where a licensed insurer is

a protected cell company (a "PCC"), a separate declaration should be completed for each individual cell where applicable,

- (d) a copy of the auditors' management letter or confirmation from the general representative that the auditors have confirmed that no auditors' management letter is required to be issued,
- (e) a summary of the extent of adherence to the Corporate Governance principles set out in the Licensed Insurers' Corporate Governance Code,
- (f) a completed declaration, signed by the general representative, in the standard format determined by the Commission, as published on its website,
- (g) a note explaining how the insurance reserves, including reserves in respect of incurred but not reported, or insufficiently reported, claims are calculated, and any actuarial report used for this purpose should be prepared in accordance with the standards set by the Commission, and
- (h) further financial information to include -
 - (i) for a PCC, management accounts that include a breakdown by cell,
 - (ii) a summary of claims paid and outstanding as at the end of the period covered by the annual

insurance return (in a form agreed with the Commission as appropriate to the underwriting activity of the licensed insurer), and

- (iii) a schedule of bank deposits and investments broken down by asset class, as determined by The Insurance Business (Approved Assets) Regulations, 2008^b.

Consolidated accounts.

2. Where the Commission has imposed a condition on a licensed insurer under section 12(4)(l) of the Law requiring the preparation of consolidated accounts, it may require all or any of the information and documents required under these regulations to be prepared and submitted on a solo and consolidated basis.

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 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 Business (Annual Return) Regulations, 2002^c are hereby repealed.

Interpretation.

5. (1) In these Regulations, unless the context requires otherwise -

^b Guernsey Statutory Instrument No. 14 of 2008.

^c Guernsey Statutory Instrument No. 34 of 2002.

"Commission" means the Guernsey Financial Services Commission,

"the Law" means the Insurance Business (Bailiwick of Guernsey) Law, 2002,

"licensed insurer" has the same meaning as in the Law, and

"PCC" has the meaning given in regulation 1(c).

(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.

Citation and commencement.

6. These Regulations may be cited as the Insurance Business (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

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

EXPLANATORY NOTE.

(This note is not part of the Regulations)

These Regulations define the contents of the annual return to be submitted by licensed insurers pursuant to sections 33 and 37 of the Insurance Business (Bailiwick of Guernsey) Law, 2002.