



Guernsey Financial
Services Commission

Conduct Unit

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Brexit, Innovation and International Standards

The objectives of the Commission include the provision of appropriate protection to consumers of financial services products. This will evolve as global events and standards change the landscape in which we regulate and supervise.

The Conduct Unit

Today's presentation will cover:

- general insurance supervision and policy;
- long-term insurance (and controlled investments) supervision and policy;
- other supervisory and policy work;
- our educational and consumer initiatives; and
- our plans for 2018 and beyond

General insurance supervision and policy

- Code of Conduct for Authorised Insurance Representatives
 - Effective 1 April 2017
 - Transitional arrangements
 - Positive opt-in for add-ons
 - Disclosure of prior year premium
 - Vulnerable customers
 - Workshops on the Code of Conduct



General insurance supervision and policy

Final slide from Code of Conduct workshops

- “The Code is in place to assist Authorised Insurance Representatives in providing good and reasonable advice to the customer.
- In doing so, the Authorised Insurance Representative can assist in protecting their employer against complaints, and in the worst case, claims through the Courts, the Ombudsman or investigation by the Commission – if the firm can demonstrate care has been taken
- The Commission is not here to punish genuine mistakes, and provided the licensee is open and transparent when mistakes occur, which in turn needs the Authorised Insurance Representatives to be open and transparent with their employer, we will work with the licensee to avoid repetition.”

General insurance supervision and policy

- Annual seminar for insurance intermediaries
- Next year's thematic review will be on general insurance
 - How can licensees prepare for our review?
 - Thematic report on the sale of add-ons
 - Code of Conduct for Authorised Insurance Representatives



Long-term insurance (and controlled investment) supervision and policy

- Thematic review of investment and long-term insurance sales practice
 - Background
 - Previous thematics
 - Implementation of the Guernsey Financial Advice Standards
 - Questionnaire coverage
 - Onsite visits



Long-term insurance (and controlled investment) supervision and policy (continued)

- Thematic review of investment and long-term insurance sales practice
 - Key areas:
 - Details of benefits lost
 - Training and competency schemes
 - Churning and/or switching
 - Attitude to risk
 - Capacity for loss
 - Clarity of fees, charges and remuneration



Long-term insurance (and controlled investment) supervision and policy (continued)

- Thematic review of investment and long-term insurance sales practice
 - Vulnerable customers
 - Helpful reference
<https://www.fca.org.uk/publication/occasional-papers/occasional-paper-8.pdf>
 - Self-assurance



Other supervisory and policy work

- We have carried out on-site visits and risk assessments at bank, insurance, insurance manager and insurance intermediary licensees,
- continued to supervise reactively,
- assisted and supported others within the Commission on matters of conduct, and
- are in regular contact with the Channel Islands Financial Ombudsman.
- In 2018, with others, we will review the codes of conduct for insurers for their effectiveness.

Working with others

Other areas where the Conduct Unit has been involved include:

- the Lending, Credit and Finance project;
- the implementation of Pensions regulation;
- working with Guernsey Citizens Advice and Trading Standards; and
- working with other regulators

Educational initiatives

Our initiatives have included:

- workshops on the Code of Conduct for Authorised Insurance Representatives;
- annual insurance intermediaries' seminar
- workshops on the 2017 thematic;
- participation in World Investor Week; and
- enhancing and expanding the consumer pages on the Commission's website

Plans for 2018 and beyond

Our priority is to provide appropriate protection to consumers of financial services products through:

- an effective supervisory framework;
- encouraging licensee culture to have consumer interest at its heart;
- further financial literacy initiatives to narrow the gap between providers and consumers