



Published as the introduction to the Captive Review, Guernsey Report, October 2008

Guernsey – a leader on the world stage

By Peter Niven, Chief Executive of Guernsey Finance

A very warm welcome to the *Captive Review Guernsey Special Report 2009*; since writing in last year's edition, Guernsey has continued to see expansion in its international insurance industry despite our maturity, increased competition and turbulent market conditions.

I am pleased to say that the aforementioned challenges have not prevented Guernsey retaining its place as the number one captive insurance domicile in Europe and it remains fourth in the world in terms of premium written. We are also seeing continuing diversification; both in terms of the risk being covered and the geographic origin of business.

Figures released by the Guernsey Financial Services Commission (GFSC) now put the number of international insurance entities at more than 700, with 365 international insurers and 354 insurance cells. These impressive numbers include the world's first local authority captive – the Gold Coast City Council Insurance Company Limited.

Guernsey's pioneering Protected Cell Company (PCC) and Incorporated Cell Company (ICC) structures also continue to go from strength to strength. The PCC was introduced in 1997, followed by the ICC in 2006, and there are now more than 70 PCCs established on the island, with last year also seeing the emergence of the jurisdiction's first insurance-writing incorporated cells. Particularly through our relationship with the British Insurance Brokers Association (BIBA), the island continues to highlight how the cell company structure enhances the viability of self-insurance for the SME market.

Furthermore, as part of our promotion of financial products and services in emerging markets, we have been working with Chinese regulators to introduce China to captives and showcase Guernsey's industry and regulatory expertise.

One of our key brand messages in all of this activity is that the island boasts mature insurance law yet always ensures that it is enhanced to meet the evolving needs of the marketplace. This year we have completed a thorough review and made several changes in order to maintain our tradition of having modern insurance legislation.

Guernsey has also begun to market its heritage as a key attraction for European reinsurance operations looking to establish themselves on the island. This has coincided with Barbican Reinsurance Company Limited becoming the first major commercial reinsurer in the domicile. It is now planned to host a Guernsey reinsurance seminar in London on 11 November.

This is the day before the main promotional event of the year for our insurance industry – the Guernsey Insurance Forum 2008, which takes place on Wednesday 12 November 2008 at the Queen Elizabeth II Conference Centre in London. This event promises to be topical, insightful and stimulating and, like this report, will provide a comprehensive look at the current state of the industry.

Peter Niven is the Chief Executive of Guernsey Finance.

Address: PO Box 655, North Plantation, St Peter Port, Guernsey, GY1 3PN
Phone: +44 (0) 1481 720071
Fax: +44 (0) 1481 720091
Email: info@guernseyfinance.com
Web: www.guernseyfinance.com