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Guernsey becomes world's fourth largest captive domicile

Retains its position as No. 1 in Europe

Guernsey has become the world's fourth largest captive domicile, according to trade publication [*Business Insurance*](#) (9 March 2009).

The research also shows that the Island still plays host to more captives than any other jurisdiction in Europe.

"This is obviously very good news," said Peter Niven, Chief Executive of Guernsey Finance – the promotional agency for the Island's finance industry.

"Guernsey has a long and proud history as a captive domicile. We have been the pre-eminent jurisdiction in Europe for a good number of years now and it is great to comfortably retain that position. The Island has also been recognised for some time as a world-leader so it is extremely pleasing to move into fourth place based on numbers of captives.

"I think it underlines how clients are attracted to Guernsey by the fact our heritage has grown an industry that is renowned for its robust yet pragmatic regulation and significant experience, expertise and innovation in providing tailored solutions to meet their needs."

The *Business Insurance* survey for 2008 reveals that Guernsey – fourth – has traded places with the British Virgin Islands – fifth – compared to 12 months previously.

There were 368 captives domiciled in Guernsey at the end of 2007 and a net increase of 2 during last year took the total to 370 at the end of 2008. The BVI was playing host to 392 captives at the end of 2007 but a net decrease of 60 means that only 332 were based in the jurisdiction at the end of 2008.

The 2008 table is led by Bermuda with an estimated 960 captives, followed by Cayman Islands (777) and Vermont (557).

Guernsey has comfortably retained its place as the leading captive domicile in Europe and is followed by Luxembourg (262), Isle of Man (156), Dublin (131) and Switzerland (50).

"It is extremely pleasing that Guernsey has not only maintained its status as the largest captive domicile in Europe but we have also consolidated our position as a leader on the world stage. This has come against a backdrop of our maturity as a captive domicile, increased competition from other jurisdictions and the soft market conditions that have prevailed," said Dominic Wheatley, Chairman of the [Guernsey Insurance Companies Management Association \(GICMA\)](#).

"However, I believe that we can build on this further during 2009. The commercial market will begin to increase premiums during this year as the changed economic picture means insurers find capital more expensive and investment income harder to come by. Indeed there are already clear signs of a hardening of premium rates in a number of critical corporate insurance markets. At the same time there is likely to be a heightened perception of the risks associated with relying totally on the commercial market for primary insurance given the failures or near-failures of some very large insurers.

"These developments increase the attractiveness of risk financing alternatives such as captives. However, they are moving apace and so it is better to establish a captive sooner rather than later. In short, the time to establish a captive is *now*."

All these developments and more will be explored at a seminar on captives being hosted by Guernsey on Thursday 7 May at the Grange City Hotel in London. Contact Jennifer Baudains on j.baudains@guernseyfinance.com or call +44 (0) 1481 720071 for further information.

Mr Niven added: "A great breadth of finance business is carried out in Guernsey so while the global downturn is adversely impacting flows within some sectors, others are seeing an upswing or have identified new prospects as a result of the overall global economic picture. One of the clearest opportunities arising is within captive insurance and we are getting out these positive messages to key decision makers on risk, particularly those like chief financial officers and finance directors, so that Guernsey can continue to draw in new business flows despite all the talk of doom and gloom."

Release Ends