

GUERNSEY STATUTORY INSTRUMENT NO.

**THE INSURANCE MANAGERS (AMENDMENT) RULES,  
2024**

*Made:* 13<sup>th</sup> February 2024

*Coming into Operation:* 13<sup>th</sup> February 2024

The Guernsey Financial Services Commission (the “Commission”), in exercise of the powers conferred on it by sections 3, 18, 20, 61 and 62 of *The Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey), 2002*<sup>1</sup> (the “Law”) makes the following Rules.

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<sup>1</sup> Order in Council No. XXII of 2002.

**Citation and Commencement**

1. These Rules may be cited as The Insurance Managers (Amendment) Rules, 2024 and amend the Insurance Managers Rules, 2021<sup>2</sup> (“the Rules”).
2. These Rules shall come into force on 13<sup>th</sup> February 2024.

**Amendments**

3. The Rules are amended in accordance with Annex A.

Dated this 13<sup>th</sup> day of February , 2024



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J. P. WINSER

Chairman of the Guernsey Financial Services Commission

For and on behalf of the Commission

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<sup>2</sup> No.139 of 2021.

## Annex A

### Amendments to The Insurance Managers Rules, 2021

In this section underlining indicates new text, to be added to the Rules, and striking through indicates text to be deleted:

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#### 5.1 Minimum Capital Requirement of Licensees

- (1) The Minimum Capital Requirement of a licensed insurance manager which does not manage general retail insurers is £25,000, or 125% of the licensee's professional indemnity insurance deductible or excess, if higher.
- (2) ~~The Minimum Capital Requirement of a licensed insurance manager~~ which manages general retail insurers is £100,000, or 125% of the licensee's professional indemnity insurance deductible or excess, if higher.

#### 5.2 Method of calculation

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#### 7.1 Application of Part 7

- (1) Rules, in this Part, which apply to **all insurance managers** are clearly marked.
- (2) The remaining rules in this Part apply to any insurance manager who advises or arranges insurance products in relation to the general public and is required to appoint an authorised insurance representative

("AIR") and, for the purposes of this Part, the term AIR includes any individual authorised by a licensee as a financial adviser.

### **7.1A Client assessments**

(1) When any licensed insurance manager takes on a new client they must

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- (a) assess whether the client services retail customers;
- (b) record the reasons where the result of the assessment is found to be that the client is not considered to service retail customers; and
- (c) carry out a gap analysis in accordance with Schedule 2.

(2) All licensed insurance managers must –

- (a) ensure that the assessment set out at (1) is carried out for all its existing clients; and
- (b) where clients are identified as being general retail insurers, update their policies and procedures accordingly

within six months of this rule coming into force.

(3) Where a licensed insurance manager identifies that a client is offering general retail insurance, but this is not recognised by that insurer, the licensed insurance manager must –

- (a) take appropriate steps to protect the interests of policyholders; and
- (b) notify the Commission.

### **7.2 Authorised insurance representatives**

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## 8.1 Interpretation

(1) In these Rules terms have their ordinary meaning unless specifically defined in the Law or in these Rules.

(2) In these Rules the following definitions should be followed –

**“accounting reference date”** means the date to which the licensee’s accounts are prepared;

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**“long term insurance products”** means any policy or product falling under Schedule 1 of the Law excluding permanent health, credit life assurance, and any contracts on human life that are renewable annually;

**“retail customer”** means a customer who is –

(a) an individual who, in relation to a licensed insurer, is acting for purposes other than that individual’s trade, business, or profession;

(b) a microenterprise;

(c) a charity other than a Non-Governmental Organisation (NGO); and

in cases where it is not clear whether an individual qualifies as a retail customer, in accordance with this definition, they must be treated as a retail customer.

## PART 9 SAVINGS, REVOCATIONS, CITATION, AND COMMENCEMENT

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## SCHEDULE 1

### THE PRINCIPLES OF CONDUCT OF FINANCE BUSINESS

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#### 10. Relations with Guernsey Financial Services Commission

A licensee should deal with the Commission in an open and co-operative manner and keep the regulator promptly informed of anything concerning the firm which might reasonably be expected to be disclosed to it.

## SCHEDULE 2

### GAP ANALYSIS

Areas that the manager should consider as part of its gap analysis should include, but are not limited to:

1. Resources required to manage the insurer effectively;
2. Knowledge and experience, including the risks of –
  - a. the products to be sold;
  - b. distribution channels;
  - c. the markets into which the products are sold;
  - d. claims handling;
  - e. reserving methodology; and
  - f. the relevant reinsurance market.