

THE INSURANCE INSTITUTE OF THE ISLE OF MAN

13th November 2014

REGULATORY OVERVIEW

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Perspectives

- International developments - IAIS and others
- Isle of Man developments
- Merger of financial regulators

REGULATORY OVERVIEW



The Isle of Man's insurance sector

- Number of licenceholders

	Authorised	Permit	Total
• Long term	16	13	29
• General	124	6	130
• Other	51		51
Total	191	19	210

- FUM

- long term

£56.5 bn

- general

£ 4.7 bn

- Contribution to GDP

15.1% (2011/12)

REGULATORY OVERVIEW



The Isle of Man's pensions sector

- Number of licenceholders

- Schemes administrators

Professional	24
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In-house	36
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- Schemes

International	80
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Domestic	853
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- FUM

All schemes	£2.4 bn
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International developments

- IAIS
- Solvency II
- NRAs and MONEYVAL assessments
- Automatic exchange of information

Isle of Man

- Overview of work to date
- Position in relation to Solvency II
- Other issues

REGULATORY OVERVIEW



New framework (1)

- IPA is committed to delivering framework consistent with updated IAIS ICPs over next 3/4 years
- Framework should be ‘appropriate and proportionate’
- Framework should be capable of positive Solvency II equivalence assessment for long term business

New framework (2)

- Significant areas of change:
 - Development of a more sophisticated risk based capital and solvency regime
 - Introduction of a group supervision framework
 - Additional conduct of business requirements
 - Introduction of public disclosure requirements where appropriate
 - Enhanced regulatory reporting
 - Updated framework for intermediaries
 - Other areas, including enhanced corporate governance

Current status (1)

- Updated Roadmap issued in June 2014
- Insurance (Amendment) Bill
 - To provide additional enabling powers required to implement certain changes
 - Currently being drafted
 - Consultation on draft now likely to begin in Q1 2015

Current status (2)

- Development of Solvency and Capital Models
 - Discussion document issued for life insurers in April 2014
 - Followed by consultation document in July 2014
 - QIS1 instructions issued in September 2014
 - Initial consideration being given to an appropriate model for non-life insurers
 - ‘Appropriate and proportionate’ are still key considerations

Current status (3)

- Conduct of business
 - Discussion paper issued in July 2014
 - Feedback will now be considered and taken into account before issuing consultation paper in 2015
 - This will be synchronised with general insurance intermediaries workstream
- Group Supervision
 - Establishing criteria for IPA acting as GWS

Current status (4)

- Captives
 - Initial discussions with IOMCA
 - Definition of ‘captive’
 - Capital and solvency proposals to be developed

Next steps

- Discussion paper on ERM, operational risk and internal models
- Consultation paper on Insurance (Amendment) Bill
- Discussion and consultation papers on conduct of business, intermediaries, capital adequacy and solvency for non-life insurers, group supervision



Questions?

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Thank you

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