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



The Isle of Man's insurance sector

Number of licenceholders

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

FUM

long termgeneral£ 4.7 bn

• Contribution to GDP 15.1% (2011/12)

j*p*a

The Isle of Man's pensions sector

Number of licenceholders

Schemes administrators

Professional 24

In-house 36

Schemes

International 80

Domestic 853

FUM

All schemes £2.4 bn

jpa

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

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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)

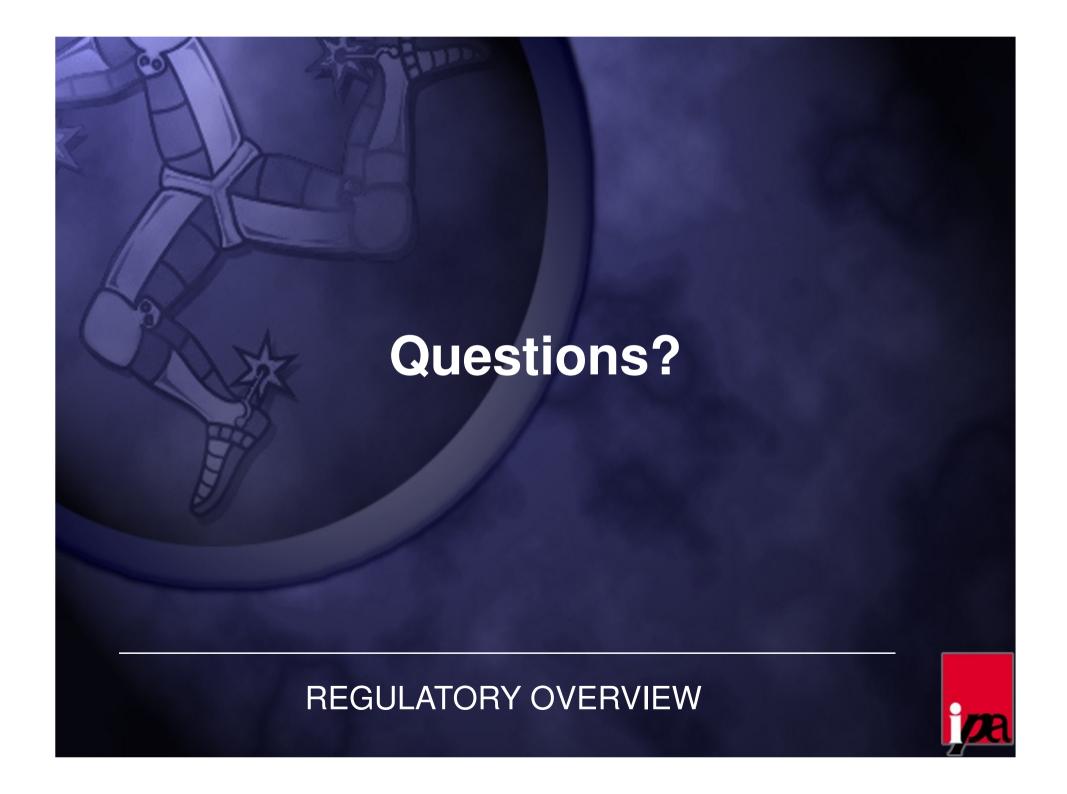
- Captives
 - Initial discussions with IOMCA
 - Definition of 'captive'
 - Capital and solvency proposals to be developed



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





Thank you

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