

# GUERNSEY FOR MGAs

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# WELCOME



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Chief Executive

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**Chief Executive**  
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Jo Stoddart

**Director**  
Locate Guernsey







**EASE OF  
BUSINESS**



**WORK LIFE  
BALANCE**



**LOW, STABLE  
TAX REGIME**



[WEAREGUERNSEY.COM](https://www.weareguernsey.com)

**GIA**

 **Locate  
Guernsey**

 **WE ARE  
GUERNSEY**  
WE ARE CONNECTED

# WHY ARE WE HERE?



## Growth and activity

Levels in the MGA space are increasing



## Global standards

Guernsey is a specialist finance centre



## Substance and expertise

Guernsey is a leading centre for insurance



## Nascent MGA centre

Guernsey has much to offer as an MGA location





History



Special lines  
underwriters



MGAs



Captives, mutuals and insurance  
management services



Support services

1. Lawyers
2. Accountants
3. Actuaries

# THE GUERNSEY INSURANCE SECTOR



# REGULATION



**Global  
standards**



**Risk based approach**



**Innovation,  
approachability  
and flexibility**



**Ease and speed  
of business**



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# BUSINESS ENVIRONMENT



Inter-island  
connectivity



London relationships  
and links



Relationship  
with the EU





# THANKS FOR LISTENING





GUERNSEY FINANCE PRESENTATION TO THE MGAA

4<sup>TH</sup> FEBRUARY 2020

*The Guernsey MGA experience*

Richard Tee | CEO | Avantis

# MY EXPERIENCE

- **Joined insurance group in Guernsey in 1990**
- **Managed third party writing and captive insurance companies and underwriting agencies, writing for Lloyd's, UK and International companies**
- **Avantis is an owner and manager of Guernsey and UK MGA businesses**

# WHY GUERNSEY?

- It's a great place to live and do business
- It has a broad regulatory framework which embraces MGAs, intermediaries, insurers, captives and ILS structures
- The MGA can underwrite for non-resident insurers
- EU inc UK and Lloyd's are approved to operate in Guernsey
- Excellent finance centre infrastructure
- Good connections to London, the primary insurance market



# HOW DO YOU ACCEPT BUSINESS?

- Business is introduced to the MGA by a broker authorised to intermediate in the client's location or a commercial client could deal direct or via non-admitted broker
- Insurer could be either admitted or non-admitted in the client's domicile
- TCF burden on the broker to justify use if insurer is un-rated or non-admitted with impact on client's access to Ombudsman or FSCS

# CAN I WORK WITH CELL INSURERS?

- Cell insurers are only aimed at commercial business
- Can have Solvency waiver or collateralised capital if relevant
- Could access non-admitted capacity providers as 100% reinsurers of the cell
- Require full disclosure to clients of use of a cell insurer

# DO I NEED INSURANCE MANAGER STATUS?

- Intermediary legislation covers brokers and managers
- MGA is regulated as an Insurance Manager.
- No equivalent of Authorised Representative (AR) status as under FCA
- Can operate as trading style.
- Under GFSC approval staff in Guernsey could work for UK MGA

# WHAT IS THE INFRASTRUCTURE LIKE?

- Offshore finance centre means there is good infrastructure of legal, accounting, corporate service providers etc.
- Many insurance managers of the larger brokers or independently owned operate in Guernsey
- Can operate MGA as a managed manager with proportionate costs



# WHAT ARE THE ADVANTAGES OF GUERNSEY?

- Great place to live and work
- Easy access to the City
- Not liable for VAT on services consumed in Guernsey e.g legal, adjusting, systems etc.
- Active insurance sector, experienced staff, geared around working for third parties



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# Why Guernsey?

Jo Stoddart, Director – Locate Guernsey

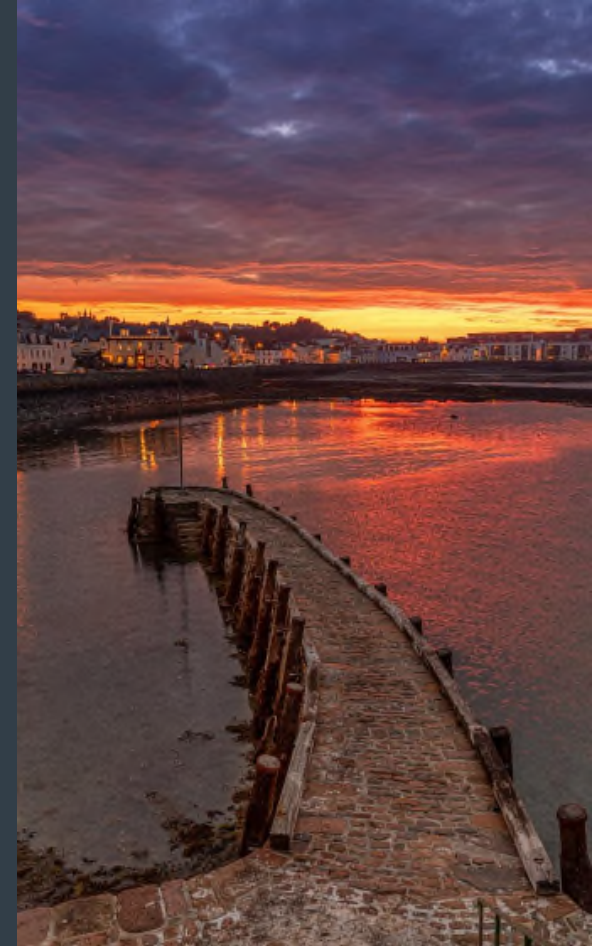






## Less Taxing for You

- Income tax – flat rate of 20% with caps available
- Zero Inheritance Tax
- Zero Capital Gains Tax
- Zero VAT or Goods and Sales Tax
- Zero wealth or estate taxes
- Company Standard rate of tax --> 0%







Quality of life  
Better for you



# The Future Guernsey Plan.



We will be amongst the happiest and healthiest places to live in the world where everyone has equal opportunity to achieve their potential. We will be a safe and inclusive community which nurtures its unique heritage and environment and is underpinned by a diverse and successful economy.

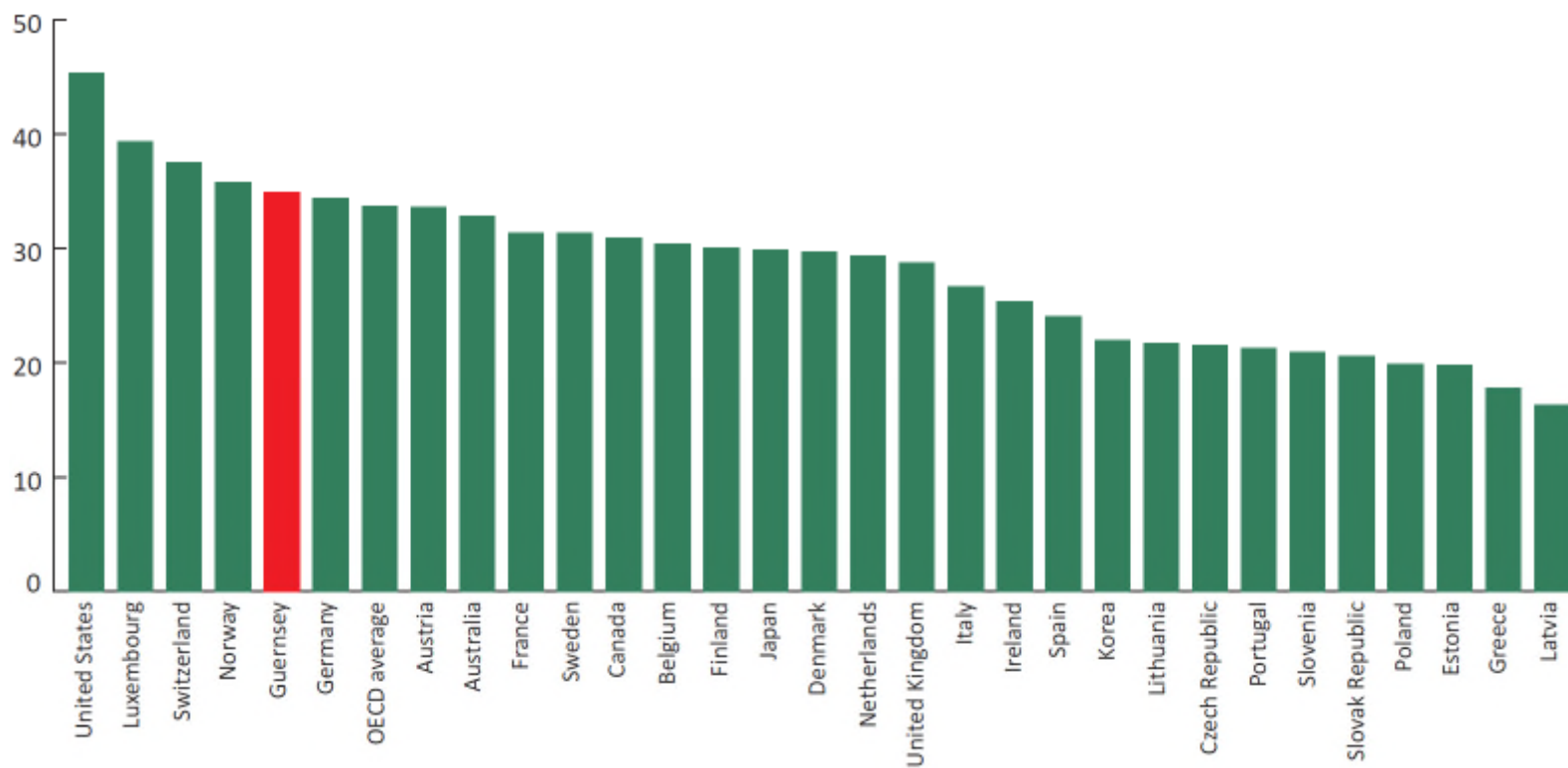


 **Locate  
Guernsey**  
*A better life for you*





## Household income - comparison with OECD member countries































# Housing – Open Market

- Anyone with British or EU passport or right of abode in UK
- Occupy any Open Market home
- Live in Guernsey indefinitely
- Any type of work, full time or part time



## Housing – Local Market

- Those who are locally born
- Holders of Employment Permits
- Three types of permit – STEP, MTEP, LTEP
- LTEP is the “holy grail” – 8 years





## For MGAs – Pathway Permit

When setting up a business and applying for an employment permit applicants must demonstrate:

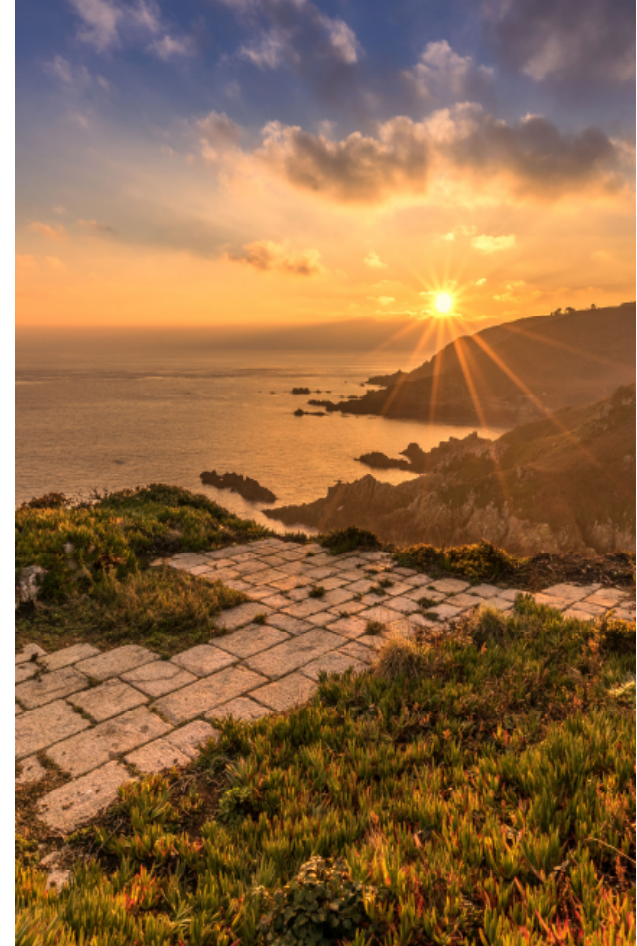
- Solid business plan
- Enhance Guernsey's economy
- Job creation for local people



# Pathway Permit – What is it?

Depending on business plan:

- MTEP (5 years) or LTEP (8 years)
- Review date at 3 and/or 5 years
- Provided a sense of progression can be evidenced against business plan, LTEP will be awarded
- Permanent residency after 14 years





# Staff Recruitment

Either:

- Skilled local workforce; Or
- Bring in from off-island
  - Director/Senior Manager - LTEP (Senior role – strategic importance to the business; management responsibility; 5+ years professional experience + relevant degree + professional qualifications)
  - Client Manager – MTEP (Responsible for providing and advising on insurance service to a client portfolio; 3+ years professional experience + relevant degree; holds or working towards relevant professional qualifications)



# Thank You



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