



**ISLE OF MAN
FINANCIAL SERVICES AUTHORITY**

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**Responses to Consultation
CP17-15/T15
Insurance Regulations 2018**

RESPONSE SUMMARY

This paper is issued by the Isle of Man Financial Services Authority (“the Authority”), the regulatory authority responsible for the supervision of the financial services, insurance and pensions sectors in the Isle of Man.

It summarises the responses received to consultation CP17-15/T15, Insurance Regulations 2018.

Issue date

29 June 2018

1. Introduction

1.1 Consultation on Insurance Regulations

- 1.1.1 During the period 12 December 2017 to 16 February 2018, the Authority conducted a consultation relating to the draft Insurance Regulations (“Regulations”) for life insurers.
- 1.1.2 The purpose of this paper is to detail the feedback received to the consultation and the Authority’s responses to that feedback, as well as to explain any other changes that have been made following the consultation exercise.

2. Responses received

Feedback to the consultation is set out in Appendix I, together with the Authority’s responses including details of any resulting changes made to the Regulations.

3. Other changes

In addition to changes resulting from general consultation feedback, a review of the Regulations was also carried out by legal drafting resource at the Attorney General’s Chambers, the focus being on good practice from a drafting point of view rather than the technical content of the Regulations.

The above review resulted in the following changes.

3.1 Statutory reserve requirements and provisions applying the Act to permit holders set out in separate regulations for long term business and non long term business

- 3.1.1 In a number of areas requirements differ for long term business and non long term business and it was suggested that these should be set out in separate regulations. As such, the statutory reserve provisions and the provisions applying the Insurance Act 2008 to permit holders are now presented in separate regulations.

3.2 Continuation of certain insurers

- 3.2.1 The required forms were previously all set out in regulations. Going forward, the memorandum of continuance will remain prescribed in the regulations and has been updated to take account of the Beneficial Ownership Act 2017. The application form is, however, no longer in regulation and will be published by the Authority when the regulations come into force. The certificates confirming re-domiciliation are prescribed by the Department for Enterprise and do not appear in the regulations.

A practice note will be published on the above.

3.3 Reporting requirements for long term business

- 3.3.1 As a consequence of both consultation feedback and the legislative drafter's review, it has been decided to remove reference to the own risk solvency assessment ("ORSA"). Further consideration will be given to the reporting requirements in respect of the ORSA as we prepare for implementation of the updated Corporate Governance Code of Practice for Insurers with effect from 1 January 2019.
- 3.3.2 Other minor wording changes have been made which do not change the actual reporting requirements nor the templates.

3.4 Reporting requirements for non long term business

- 3.4.1 Reporting requirements for non long term business remain the same as requirements under current legislation. The wording has however been modernised somewhat since the consultation was issued.

3.5 Saving for transitional loan provisions in respect of non long term business

- 3.5.1 The wording has been updated to reflect time elapsed since the issue of the Insurance (Solvency) (Amendment) Regulations 2011 and 2012.

4. Next steps

The Regulations were made on 28 June 2018 and will come into force on 30 June 2018.

Any queries should be directed to Paul Ellison, paul.ellison@iomfsa.im.