GSCCA Guernsey Society of Chartered and Certified Accountants

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John F. Rehagen, Chair and Monica Macaluso, Vice Chair
Mutual Recognition of Jurisdictions (E) Working Group National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500, Kansas City, MO 64106-2197

3 November 2026

Re: Qualified Jurisdiction status application of the Guernsey Financial Services Commission

Dear Mr Rehagen and Ms Macaluso,

The Guernsey Society of Chartered and Certified Accountants (GSCCA) welcomes the opportunity to comment on the Guernsey Financial Services Commission's ("GFSC") application to National Association of Insurance Commissioners ("NAIC") for Qualified Jurisdiction status. Our members engage professionally with various insurers, reinsurers, managers, asset managers and capital markets issuers in Guernsey, and we support the application, for the reasons detailed below.

Overview of the Guernsey insurance industry
Guernsey is one of the world's leading international insurance centres and Europe's largest captive domicile. It has more than 327 licensed insurers, with gross written premiums and assets of more than £5 billion and £30 billion, respectively. Guernsey pioneered the Protected Cell Company (1997) and the Incorporated Cell Company (2006). Approximately 40% of FTSE 100-listed entities have chosen Guernsey as a home to their captive insurance entities. It also hosts commercial insurers, life insurers, reinsurers, insurance-linked securities ("ILS") vehicles and a large community of well-established, experienced, reputable licensed insurance managers.

Laws and regulations
Guernsey is a self-governing Crown Dependency with an independent legislature and judiciary. Its company, cell-company, and limited partnership laws give legal certainty on the segregation of assets and liabilities. Guernsey's robust insurance solvency regime differs from Solvency UK and Solvency II.

It is a risk-based regime with minimum capital and solvency requirements scaled to the nature, operations and complexity of each insurer's business. Guernsey's solvency regime for insurance companies is recognised by international insurance regulators due to its adherence to the International Association of Insurance Supervisors (IAIS) Core Principles. It sets governance and risk-management standards, fit-and-proper tests, technical provision requirements, independent audit and regulatory reporting in accordance with the Insurance Business (Bailiwick of Guernsey) Law, 2002 and The Insurance Business (Solvency) Rules and Guidance, 2021.

These rules apply to all licensed insurers, classified by the GFSC into six categories: Commercial Life Insurers, Commercial Life Reinsurers, Commercial General Insurers, Commercial General Reinsurers, Captive (Re)insurers, and Special Purpose Entities. The GFSC has statutory powers to examine, obtain information, require corrective action and intervene, to ensure adherence to the local laws and regulations.

Regulatory practices and procedures

Guernsey has a mature insurance ecosystem of insurance managers, actuaries, auditors, lawyers, administrators and custodians. Internationally recognised and well-established insurance groups, including Aon, Willis Towers Watson, Marsh, Howden, Artex and SRS, maintain offices in Guernsey, reflecting the island's status as a leading international insurance and captive insurance domicile. This gives the island a deep pool of expertise, which supports effective supervision.

The GFSC applies risk-based supervision, engages directly with firms, and takes decisive action when needed. We believe this supports the elements of qualified staff, priority-based analysis, depth of review and prompt regulatory action, as required by NAIC's evaluation methodology. The GFSC is a member of the International Association of Insurance Supervisors ("IAIS").

The International Monetary Fund ("IMF") has evaluated Guernsey's insurance sector under the Financial Sector Assessment Program ("FSAP") and confirmed a high level of observance of the Insurance Core Principles (ICPs) developed by IAIS. Furthermore, all licensed insurers are required to submit annual returns to the GFSC, which must include financial statements audited by independent auditors who fulfil the statutory auditor eligibility requirements under the Companies (Guernsey) Law, 2008.

The audit firms are required to be controlled by members of the following recognised supervisory bodies: the Institute of Chartered Accountants in England and Wales ("ICAEW"); the Institute of Chartered Accountants of Scotland ("ICAS"); the Association of Chartered Certified Accountants ("ACCA"); the Chartered Accountants Ireland ("CAI") or hold a qualification allowing them to perform statutory audits in an EEA member state. The partner or director signing the audit report is required to hold a practising certificate from the ICAEW, ICAS, ACCA or CAI.

Sections 34 and 82 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 require the independent auditor to report certain matters directly to the GFSC, including auditor resignation, proposed qualifications to the audit opinion, and any matters of material regulatory significance affecting fitness and propriety or policyholder protection. Such disclosures may be made without client consent and are protected by statutory safe-harbour provisions. For all regulated entities carrying on insurance business in or from Guernsey, the licensee is required to share with the GFSC the ISA 260 management letter issued by the auditor.

Treatment of U.S. domiciled reinsurers

Guernsey's open, internationally focused market has long welcomed overseas capital and reinsurers. To our knowledge, Guernsey's regulatory framework does not discriminate against U.S. reinsurers. We understand that it imposes no local-presence requirement as a condition for reinsurance with Guernsey cedants. Separately certain Guernsey tax resident entities need to comply with the local economic substance regulation, which requires certain governance and strategic decision making to be performed and recorded in Guernsey.

Regulatory cooperation and information sharing
The GFSC has statutory gateways to share information with overseas supervisors and is a signatory to the IAIS Multilateral Memorandum of Understanding which provides a global framework for cooperation and the exchange of information among insurance regulators to enhance cross-border supervision. This framework may form a basis for regulatory cooperation and information sharing with U.S. state regulators.

Furthermore, the most recent MONEYVAL mutual evaluation of Guernsey published on 10 February 2025 found a mature and effective framework against money laundering, terrorist financing and proliferation financing. This supports Guernsey's standing as a trusted and transparent jurisdiction for investors and counterparties. It also gives regulators confidence on financial crime controls, beneficial ownership transparency and international cooperation.

History of performance
Guernsey hosts established ILS and rated reinsurance structures, including Secquaero Re (Guernsey) ICC Limited, Solidum Re (Guernsey) ICC Limited, Halldora Re Ltd, Marco Re Limited, Jacana Re Limited, Convex Guernsey Limited and Jupiter Insurance Limited. All the reinsurance structures mentioned earlier are A (Excellent) rated by AM Best with a Stable outlook. These structures have earned the confidence of cedants, rating agencies and capital providers.

Enforcement of final U.S. judgments
Based on established practice, Guernsey courts recognise and enforce final foreign money judgments under the common law, subject to the usual defences. Separately, in relation to foreign arbitral awards, Guernsey became a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards through the United Kingdom's extension on 19 April 1985. Guernsey's courts have a strong record in commercial and insolvency matters.

Solvent schemes of arrangement
Under the Companies (Guernsey) Law, 2008, a scheme of arrangement is not strictly an insolvency procedure. It is a court-sanctioned statutory mechanism that can be utilised by both solvent and insolvent companies to restructure capital, execute mergers, or facilitate takeover transactions. The court-supervised process is designed to protect creditors.

Other wider strengths of Guernsey relevant for the application

- **Capital markets:** The International Stock Exchange ("TISE"), based in Guernsey, is a leading venue for debt, equity and ILS listings. This gives reinsurers a route to institutional investors, for example through listed notes and collateralised structures.

- **Digital finance:** Guernsey takes a measured approach to digital assets, and has a regulatory framework through the Lending, Credit and Finance (Bailiwick of Guernsey) Law, 2022, for virtual asset service providers aligned with Financial Action Task Force (“FATF”) standards. Insurers and TISE can use this framework for tokenisation, digital-asset risk and new risk-transfer structures. The GFSC also launched the Digital Finance Initiative on 11 September 2025, which positions Guernsey as a progressive, trusted jurisdiction for digital finance and technological innovation.

- **Green finance:** Guernsey is committed to sustainable finance, through its Green Fund regime, Guernsey's Insurance ESG Framework with an accreditation kitemark developed by the Guernsey International Insurance Association, its Sustainable Finance strategy and TISE's sustainable segments. Insurers and ILS vehicles are increasingly writing climate-related, parametric and nature-based risks.

Purpose, reliance and contact

This letter has been prepared as of 3 November 2026, solely to assist the National Association of Insurance Commissioners and its Mutual Recognition of Jurisdictions (E) Working Group in their regulatory consideration of the Guernsey Financial Services Commission's application for Qualified Jurisdiction status.

It does not constitute a legal opinion or legal, regulatory, investment or other professional advice and has not been prepared for reliance by any insurer, reinsurer, investor, policyholder, counterparty or other third party in making a commercial decision.



For and on behalf of the Executive Committee of the GSCCA

***GSCCA**

The Guernsey Society of Chartered and Certified Accountants (GSCCA) aims to promote the interests and concerns of accountants, act as a voice for the industry, promote the profession of accountancy within local schools and provide a forum for members working in Guernsey.