



PRESS RELEASE

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HM Government of Gibraltar emphasises support of Insurance sector

HM Government of Gibraltar has reiterated its complete support for its Insurance sector in Gibraltar and confidence in the important role played by the Gibraltar Financial Services Commission (GFSC) in delivering high European standards of insurance regulation.

This follows recent media reports relating to comments attributed to the Irish Regulator, the CBI and the recent motion in the Irish Parliament on the general subject of motor insurance in the Republic of Ireland; including references to the failure of Setanta, a Maltese Insurer and Enterprise. Further to these reports, the Hon Albert Isola, Minister for Commerce last week wrote to the Irish Finance Minister, Michael Noonan and the Minister of State for Financial Services in the Republic providing factual information on the issues to be debated in the Irish Parliament later that day. The letter was referred to by the Government representative when speaking in Parliament on the motion.

Gibraltar Insurance firms must adhere to the same set of rigorous regulatory standards and capital requirements as all other European insurers, including Irish insurers. These are provided for in the Solvency II Directive, are a much more rigorous set of standards than existed before across the EU and were implemented at the beginning of 2016.

Further, Gibraltar firms passporting into Ireland contribute to the Insurance Compensation Fund (2% of premiums by non life insurers) and the Motor Insurance Bureau in Ireland (6% of gross written premiums). The Insurance Compensation Fund was set up in Ireland in 2012 to contribute to the losses sustained in Ireland following the Euro 1 Billion collapse of Irish Insurer Quinn.

By the end of 2016, Gibraltar firms in Ireland had contributed some Euros 7 Million to the Irish Compensation schemes and are expected to contribute more than Euros 4 million in 2017. This will more than meet the estimated losses arising from the Enterprise failure in Ireland (Euros 7.4M for 233 live claims).

It is further important to note, that Gibraltar firms have contributed some £350 Million to the compensation schemes in the United Kingdom (FSCS and MIB).



HM Government of Gibraltar is very confident in the approach taken by the Gibraltar Financial Services Commission to its regulation of insurance companies and the emphasis the GFSC places on consumer protection in all countries in which Gibraltar insurers operate. To support this work, the GFSC has put a strong emphasis on developing close relationships with EU Member State supervisors as well as the European Supervisory Authorities, and more specifically, EIOPA which oversees insurance and pensions' activities in the EU.

The Gibraltar Financial Services Commission works closely with the Central Bank of Ireland and is in regular contact with the insurance supervisory team there. The comments attributed to the CBI are therefore out of step with this relationship and inappropriate in the circumstances as established forums exist within the European Regulatory framework for any such issues to be addressed as and when they arise.

HM Government is proud of its vibrant, innovative and successful Insurance sector which works within a compliant and robust regulatory environment under the supervision of the GFSC which enjoys our complete confidence.