



PRESS RELEASE

No: 486/2017

Date: 9th August 2017

Gibraltar Protected Cell Companies to be permitted to write third party insurance business

Albert Isola MP, Minister for Commerce, HM Government of Gibraltar announces the expansion of insurance business permitted within Gibraltar licenced Protected Cell Companies (“PCCs”). Minister Isola stated “Following detailed discussions with a number of insurance businesses and the Gibraltar Financial Services Commission (“the GFSC”) I am pleased to announce that third party business will in future be considered from Gibraltar PCCs. We believe this will open up new opportunities for Gibraltar’s insurance sector in a safe and robust manner . ”

Gibraltar was the first EU jurisdiction to introduce PCC legislation in 2001 and Gibraltar cells have been widely used for both cell captives and fronting cells. Since 2015 Gibraltar’s ILS transactions have also been structured using a PCC cell. Third party business has always been permitted under Gibraltar's PCC legislation but regulatory permission for such activity has to date been restricted. Earlier this year the GFSC’s Innovate and Create Team undertook a review and concluded that third party business could be permitted within Gibraltar PCCs provided there are appropriate safeguards in place and applications would be reviewed on a case-by case-basis.

Minister Isola added “Government fully supports the GFSC’s view that cells writing third party business will need particularly close scrutiny and the cell’s assets and reinsurance programme will be crucial in determining if such business can be authorised. The approach to new applications will be heavily reliant on the quality of the business plan, the quality of the people and organisations involved and a robust and comprehensive regulatory process. If all these aspects are satisfied then we are confident that Gibraltar PCCs can offer a flexible and secure platform for new third party insurance business. “