

GIBRALTAR

SUPERVISORY AUTHORITY

Financial Services Commission

LEGISLATION

Financial Services (Insurance Companies) Act 1987 (and amendments thereof) and by Regulations issued under the provisions of the Act, Protected Cells Companies Act 2001; all of which give effect to EU Directives.

CURRENCY

£ Sterling with no exchange controls

APPLICATION

The Insurance Companies (Prescribed Particulars) Regulations 1996 sets out the required format and content which will include a business plan, financial projections, proposed directors and managers, proposed policy wordings, reinsurance agreements, claims histories and margin of solvency calculation.

REPORTING REQUIREMENTS

Quarterly: insurance returns and management accounts.
Annually: insurance return, with auditors report thereon, business plan, and audited accounts. Other documentation as prescribed at the time of granting the licence.

CAPITAL AND SOLVENCY

The level of capitalisation required is dependent upon the amount of underwriting capacity the captive wishes to offer and the classes of business underwritten. A captive writing direct insurance is required to have a minimum paid-up share capital €2,300,000 (€3,500,000 if liability classes are written). The minimum requirement for a captive writing reinsurance business only is currently €1,100,000. Minimum solvency is required in accordance with EU Directives for insurance and reinsurance companies.

FEES AND ANNUAL COSTS

Application fee: Captives (re)insurers £2,000, General (re)insurers £3,000, Long-term Business £8,000, PCC £2,000 plus £1,000 per cell.

Annual insurance licence fee: general (re)insurance captive £3,000, long-term (re)insurance captive £7,000, general (re)insurer £15,000, long-term (re)insurer £20,000, PCC £3,000 plus £1,000 per cell.

Management fee pure captive direct writing: £80,000 – £120,000

Management fee pure captive reinsurance: £40,000 – £60,000

Management fee non-captive direct writing: (min) £100,000 (These costs are typical costs but can be higher for more complex insurance programmes)

Audit fee direct writing captive: (approx) £15,000

Audit fee reinsurance captive: (approx) £10,000

Directors fees: (approx) £10,000 per director

TAXATION

The corporate tax rate is 10% taxed on an actual basis.

On March 31, 2009, Gibraltar signed its first tax exchange agreement, with the U.S., and is committed to the Organisation for Economic Co-operation and Development (OECD) standard.

There is No VAT or capital gains tax.

MARKET ACCESS

Member of the European Union as a dependent territory of the U.K. Full access to write direct and reinsurance on an admitted basis throughout the EU and EEA.

TIME ZONE

Gibraltar shares the same time zone as the rest of Central Europe (U.K. plus one hour), and is only six hours ahead of the U.S. East Coast Time.

Willis

WILLIS MANAGEMENT (GIBRALTAR) LIMITED

Willis is one of the leading firms of international insurance brokers specialising in the field of captive insurance companies and their management.

Captive development and feasibility studies are carried out by our teams of consultants. Our captive management service platform enables clients to entrust the management of their insurance company to our local operation, where our personnel will provide all the underwriting, accounting, compliance and company secretarial expertise they require.

Willis Management (Gibraltar) Limited integrates Willis' global expertise with an exceptional local delivery platform and service team.

Our services include:

- Aligning captive activity to parent's strategic aims.
- Coordinating brokers, insurers, reinsurers, auditors and bankers.
- Providing clear information and advice for executive decision making.
- All aspects of routine captive management and administration including:
 - Insurance Management
 - Accountancy
 - Company Secretarial
 - Corporate Governance and Compliance
 - Banking and Investment

MAIN CONTACTS



David Prince, FCA, BA – Director

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After qualifying and working in Bermuda with Ernst & Young, David spent 10 years in the Isle of Man as Director of the Willis Captive Management operation. He moved to Gibraltar in 2000 and is responsible for day to day operational management and oversight of the quality of technical advice and service delivery to all Gibraltar clients.



Derren Vincent, ACII, BSc – Director

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Derren joined the U.K. Corporate Risk Solutions arm of Willis in 1996. In July 2004 he was appointed as the Underwriting Manager of the Gibraltar office and is responsible for insurance underwriting, administration and technical issues. Derren has extensive experience of EU based captives as both manager and consultant.