

CAYMAN REGULATORY UPDATE

Ruwan Jayasekera

Cayman Islands
Monetary Authority
Head, Insurance Division

Gretchen Hammes

KPMG
Director, Audit –
Insurance and Banking

Rob Humphries

Attorney - Solomon Harris
part of Bedell Cristin



CAYMAN
CAPTIVE
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2018

AGENDA

- CIMA News and Developments
- CIMA and a Common Philosophy
- CIMA's International Involvement
- New and Proposed Regulatory Changes
 - Data Protection
 - AML Regulations
 - Fines and Penalties
 - EU Economic Substance
- ASU 2015/09

CIMA NEWS AND DEVELOPMENTS

New Board of Directors

- Highly experienced legal professional and former Minister of Financial Services, Commerce and the Environment (2013–2017) as Chairman of the Board
- Individual with 18 years of insurance industry experience as Deputy Chairman
- A board member with underwriting, pricing, financial reporting and risk management experience, concentrated within the property-casualty insurance industry and adjunct professor for the Actuarial Sciences

CIMA NEWS AND DEVELOPMENTS

Peter Fox appointed as new Reinsurance Specialist

- Career spans nearly 46 years in the insurance industry
- A Fellow of the Institute of Actuaries
- Experience in pensions and life assurance and P&C reinsurance, audit and consulting
- Responsible for managing complex reinsurance license applications/licensees and providing technical advice to the Insurance Supervision Division

CIMA AND A COMMON PHILOSOPHY

- Committed to being the jurisdiction of choice through robust but sensible and proportionate regulation
- Our open door policy means we continue to meet with captive owners, board members and representatives regularly
- A 'culture of consultation', formalised through the Monetary Authority Law and a clearly stated private sector consultation process.
- Concerted effort to recruit additional resources is paying dividends and leading to greater efficiency.

CIMA'S INTERNATIONAL INVOLVEMENT

- International Association of Insurance Supervisors (IAIS) – member since 1994 and involved in many working groups and task forces.
- Vice Chair of The Group of International Insurance Centre Supervisors (GIICS)
- President of The Caribbean Association of Insurance Regulators (CAIR)
- Over 50 bilateral agreements and 6 multilateral agreements with regulatory authorities.
- An MOU with The National Association of Insurance Commissioners (NAIC)

NEW & PROPOSED REGULATORY CHANGES

- The Cayman Data Protection Law, 2017
 - Expected commencement in January 2019!
 - Application to Cayman insurance companies, insurance managers and related service providers
 - Policies, procedures and requirements for compliance

NEW & PROPOSED REGULATORY CHANGES (CONTINUED)

- The Proceeds of Crime Law (2017 Revision) – Anti-Money Laundering Regulations (2018 Revision)
 - Appointment of Money Laundering Reporting Officer (MLRO), Deputy Money Laundering Reporting Officer (DMLRO) and Anti-Money Laundering Compliance Officer (AMLCO)
 - Application to Cayman captives and insurance companies
 - Best practice and CIMA's expectations

NEW & PROPOSED REGULATORY CHANGES (CONTINUED)

- The Monetary Authority (administrative fines) Amendment Regulations, 2018
 - Different categories of offenses attracting different levels of possible sanction
 - Application to Cayman captives and insurance companies

NEW & PROPOSED REGULATORY CHANGES (CONTINUED)

- The EU and Economic Substance Requirements

NEW & PROPOSED REGULATORY CHANGES (CONTINUED)

- **Rule and SoG on Market Conduct** – Also applies to Class B insurers in the conduct of their business to third party retail policyholders. Does not cover reinsurance
- **SoG on Succession Planning** – A succession plan will help Licensees be prepared for unplanned, permanent or temporary leadership or management change.
- **SoG on Actuarial Valuation Reports** – minimum information required

ASU 2015-09

- CIMA understands the various complexities that its licensees may encounter to meet the requirements of ASU 2015-09, but will benefit the users of these financial statements (FS) by providing more relevant, transparent and useful information. CIMA is a user of FS!
- Where elected to prepare their financial statements in accordance with US GAAP, they should comply with ASU 2015-09, if applicable
- Where elected to prepare their financial statements in accordance with US GAAP but decides not to comply with ASU 2015-09 the Board of the licensee should notify CIMA in advance of their decision and with the rationale. Prior to advising CIMA, it is expected that the Board discusses with the licensee's appointed audit firm the likely impact of non-compliance on its audit opinion

QUESTIONS



Ruwan Jayasekera

R.Jayasekera@cimoney.com.ky

Gretchen Hammes

gretchenhammes@kpmg.ky

Rob Humphries

rhumphries@solomonharris.com

www.caymancaptive.ky

THANK YOU



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