

# OWN SOLVENCY CAPITAL ASSESSMENT FOR INSURANCE COMPANIES



## INTRODUCTION

Boards of directors of Guernsey insurance companies are required to determine (with justification) their own view of an appropriate level of capital resources for solvency purposes. For this purpose, each company must undertake a review of the risks faced by the company in order to determine an appropriate level of capital required ("Own Solvency Capital Assessment" or "OSCA").

This approach is similar in principle to the Individual Capital Assessment ("ICA") requirements that were introduced in the UK several years ago and to the approach that will be needed for Solvency II. However, in Guernsey the requirements are less prescriptive and the work required is largely at the discretion of the Board (but subject to review by the regulator – the Guernsey Financial Services Commission ("GFSC")).

## BWCI EXPERIENCE AND EXPERTISE

BWCI has substantial experience and expertise in this area through work for Guernsey and UK clients. Key points include the technical understanding of the risks involved and the work needed to move from an understanding of the risks to assessing the appropriate level of capital. We have also undertaken this work for a range of Guernsey clients.

BWCI can provide a full report that will recommend the OSCA required and give the justifications required for the Board to discharge its obligations under the regulations.

Alternatively, we can undertake an independent review of an OSCA that has already been carried out. This would provide comfort to the Board that the OSCA was properly calculated and appropriately justified.

## WHO WOULD FIND THIS SERVICE USEFUL?

- Boards of directors of Guernsey insurance companies, to meet their regulatory requirements
- Boards of insurers in other jurisdictions that may want to review their capital requirements

## FURTHER INFORMATION

Established in 1979 the BWCI Group is the largest group of actuaries and consultants in the Channel Islands with over 100 staff encompassing a wide range of disciplines.

The BWCI Group is a member of Abelica Global, the international network of leading independent actuarial firms.

For further information on this and other insurance services provided by the BWCI Group, please contact [insurance@bwcigroup.com](mailto:insurance@bwcigroup.com) or visit our website at [www.bwcigroup.com](http://www.bwcigroup.com).



### **Focused**

because we are focused on our clients' needs and provide a service to suit their individual requirements.

### **Practical**

because we deliver solutions in practical, commercial and cost-effective ways.

### **Innovative**

because we seek innovative solutions to complex financial problems using advanced analytical tools and software.

<b>Location</b>	PO Box 68, Albert House South Esplanade, St Peter Port Guernsey, GY1 3BY
<b>Tel</b>	+44 (0)1481 728432
<b>Fax</b>	+44 (0)1481 724082
<b>Web</b>	<a href="http://www.bwcigroup.com">www.bwcigroup.com</a>

<b>Location</b>	Kingsgate House, 55 Esplanade, St Helier Jersey, JE2 3QB
<b>Tel</b>	+44 (0)1534 880112
<b>Fax</b>	+44 (0)1534 880113
<b>Web</b>	<a href="http://www.bwcigroup.com">www.bwcigroup.com</a>