



Jersey Financial Services Commission

PRESS RELEASE

25 JULY 2011

SOLVENCY II

This statement is issued in order to clarify the Jersey Financial Service Commission's (the "**Commission**") intended approach to Solvency II. Solvency II is a capital standard for insurance and reinsurance companies that is expected to be introduced in the European Union by way of directive in 2013.

The Commission has invited input from all those members of the Jersey insurance sector that would be affected by changes in regulatory capital requirements applied in the Island. This dialogue did not identify any regulatory or other reason for implementing Solvency II in Jersey.

Whilst the Commission will continue to monitor the development of Solvency II, it will predominantly focus on changes to the international standards set by the International Association of Insurance Supervisors ("**IAIS**"), which are due to be adopted later this year. It is these standards against which Jersey has previously been assessed by the International Monetary Fund.

The revised IAIS standards, which include provisions for risk based solvency, will be considered by the Commission, once finalised. The need to make consequential changes to Jersey's insurance regulatory requirements, and the impact of such, will then be assessed. Any proposed changes will be subject to public consultation.

- Ends -

For further information please contact: -

David Hart
Deputy Director, Insurance
Jersey Financial Services Commission

Tel: + 44 (0) 1534 822123
Fax: + 44 (0) 1534 822047
Email: d.hart@jerseyfsc.org

Notes to Editors.

The Commission is responsible for the regulation, supervision and development of the financial services industry in the Island of Jersey for banking, collective investment funds, fund services business, insurance business, general insurance mediation business, investment business, money service business, and trust and company service providers.

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The four Regulatory Laws are: the Banking Business (Jersey) Law 1991; the Collective Investment Funds (Jersey) 1988; the Financial Services (Jersey) Law 1998; and the Insurance Business (Jersey) Law 1996.

Money service business includes money exchange, money transmission and cheque cashing activities.