



# INSURANCE (SPECIAL PURPOSE VEHICLE AND CORPORATE GOVERNANCE) (AMENDMENT) GUIDANCE NOTES 2025

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Statutory Document No. 2025/0141



*Insurance Act 2008*

# **INSURANCE (SPECIAL PURPOSE VEHICLE AND CORPORATE GOVERNANCE) (AMENDMENT) GUIDANCE NOTES 2025**

*Laid before Tynwald:*

*Coming into Operation:*

*30 June 2025*

The Isle of Man Financial Services Authority issues the following binding Guidance Notes under section 51(1) of the Insurance Act 2008 after carrying out the consultation required by section 51(6) of that Act.

## **1 Title**

These Guidance Notes are the Insurance (Special Purpose Vehicle and Corporate Governance) (Amendment) Guidance Notes 2025.

## **2 Commencement**

These Guidance Notes come into operation on 30 June 2025<sup>1</sup>.

## **PART 1**

### **WITHDRAWAL OF SPECIAL PURPOSE VEHICLE GUIDANCE NOTES**

## **3 Withdrawal of special purpose vehicle guidance notes**

The Guidance Notes for Insurance Special Purpose Vehicles<sup>2</sup> are hereby withdrawn.

<sup>1</sup> Under section 51(7) of the Insurance Act 2008, Guidance Notes shall be laid before Tynwald as soon as practicable after being issued.

<sup>2</sup> SD 2015/0101

## PART 2

### AMENDMENTS TO CORPORATE GOVERNANCE

#### 4 References under this Part to the Corporate Governance Code of Practice for Insurers 2021

Unless specified otherwise, a reference to a paragraph or schedule in this Part is a reference to a paragraph in, or a schedule to, the Corporate Governance Code of Practice for Insurers 2021<sup>3</sup> (herein the “CGC”).

#### 5 Amendments updating references to the Insurance Regulations

- (1) In the following paragraphs and schedule for “Insurance Regulations 2021” substitute **SD** Insurance Regulations 2025 **SD**<sup>4</sup> —
  - (a) paragraph 5 (application of the CGC), in subparagraph (4);
  - (b) paragraph 6 (additional matters concerning the application of the CGC to permit holders), in subparagraph (a);
  - (c) paragraph 76 (meaning of terms), in the definitions of “audited accounts”, “class”, “technical provisions” and “written”; and
  - (d) Schedule 1 (risks), in subparagraph (7) of paragraph 2 (underwriting risk).
- (2) In paragraph 5 (application of the CGC), in subparagraph (4) for the content of the footnote appearing in that subparagraph substitute **SD** 2025/0138 **SD**.
- (3) In paragraph 6 (additional matters concerning the application of the CGC to permit holders), in subparagraph (a), for “regulation 3(1)” substitute **SD** regulation 3(6) **SD**.
- (4) In paragraph 76 (meaning of terms), in the definition of “audited accounts” for “regulation 6” substitute **SD** regulation 7 **SD**.
- (5) In Schedule 1 (risks), in subparagraph (7) of paragraph 2 (underwriting risk), for “regulation 6(4)” substitute **SD** regulation 7(4) **SD**.

#### 6 Amendments renaming dormant authorised insurers as standby authorised insurers and other amendment to paragraph 5(5)

- (1) In paragraph 5 (application of the CGC), for subparagraph (5) substitute —

**SD**(5) Except as provided for in paragraph 18, a standby authorised insurer is exempt from the CGC. **SD**.

<sup>3</sup> SD 2021/0276

<sup>4</sup> SD 2025/0138

- (2) In paragraph 18 (board composition), for “dormant” substitute **“a standby authorised insurer”**.
- (3) In paragraph 76 (meaning of terms) —
  - (a) omit the definition of “dormant”; and
  - (b) after the definition of “stakeholder”, insert —  
**“standby authorised insurer”, has the meaning given in regulation 20(2) of the Insurance Regulations 2025;**

## 7 Amendment to providing information to some insured parties in relation to class 12 insurers

In paragraph 72 (application of requirements (and class 12 requirement)), for subparagraph (3) substitute —

- (3)** In respect of a class 12 insurer, every direct contract of insurance written by the insurer after the date on which the Insurance Regulations 2025 came into operation which insures a person other than —
  - (a) an own group member of the insurer; or
  - (b) a connected individual in respect of an own group member of the insurer,in accordance with Schedule 1 to the Insurance Regulations 2025, must contain the information set out in sub-paragraph (5).

## 8 Amendment for class 13 insurers and insurers subject to a sandbox

- (1) In paragraph 5 (application of the CGC), after subparagraph (5) insert —
  - (6)** In respect of a class 13 insurer —
    - (a) subject to subparagraphs (b) and (c), the CGC applies to the insurer in accordance with the class or classes it holds that are other than class 13;
    - (b) the Authority may —
      - (i) exempt it from some or all of the requirements of the CGC; and
      - (ii) modify some or all of any remaining requirements of the CGC,as specified by the Authority; and
    - (c) unless the Authority specifies otherwise, the insurer is exempt from Part 7.
  - (7) In respect of an insurer that is subject to a sandbox in accordance with Schedule 4 to the Insurance Regulations 2025, the Authority may —

- (a) exempt it from some or all of the requirements of the CGC; and
  - (b) modify some or all of any remaining requirements of the CGC,as specified by the Authority. **22**.
- (2) In paragraph 11 (financial management) —
  - (a) for “An insurer must —”, substitute —  
**23**(1) An insurer must — **22**.
  - (b) after subparagraph (1), insert —  
**23**(2) In respect of a class 13 insurer, for the purposes of paragraph 2(1)(b)(ii) of Schedule 2 to the Insurance Regulations 2025, the insurer must, as a specified part of its capital adequacy requirement, establish and maintain adequate resources in respect of its costs and expenses to the extent that those costs and expenses are not included within the insurer’s insurance obligations under the contracts of insurance it has written. **22**.

## 9 Amendment to actuarial function requirements of class 12 insurers

In paragraph 44 (function), in subparagraph (7) after “or have access to” insert **23** (but need not retain the services of) **22**.

ISSUED 18 JUNE 2025

*EXPLANATORY NOTE*

*(This note is not part of the Regulations)*

These Guidance Notes withdraw the Guidance Notes for Insurance Special Purpose Vehicles and amend the Corporate Governance Code of Practice for Insurers 2021 as a consequence of changes made in the Insurance Regulations 2025.