



Guernsey Financial
Services Commission

***The Financial Services Business
(Bailiwick of Guernsey) Law, 1987,
as amended (“the Financial Services Commission
Law”)***

***The Insurance Business (Bailiwick of Guernsey)
Law, 2002, as amended (“the Insurance Law”)***

***The Criminal Justice (Proceeds of Crime)
(Financial Services Businesses) (Bailiwick of
Guernsey) Regulations, 2007, as amended (“the
Regulations”)***

***The Handbook for Financial Services Businesses
on Countering Financial Crime and Terrorist
Financing (“the Handbook”)***

***Generali Worldwide Insurance Company Limited
 (“Generali Worldwide”)***

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Summary

On 15 November 2013 the Guernsey Financial Services Commission (“the Commission”) decided:

1. To impose a financial penalty of £150,000 on Generali Worldwide under Section 11D of the Financial Services Commission Law; and
2. To make this public statement under Section 11C of the Financial Services Commission Law.

Background

Following an on-site visit in August 2011, the Commission undertook an extensive examination of Generali Worldwide’s systems and controls.

Reasons

At various times during the period 2008 to 2010, failings in systems and controls occurred in the following areas:

The Licensed Insurers’ Corporate Governance Code

Generali Worldwide did not comply with certain reporting requirements relating to its regulatory margin of solvency and on the adequate definition of an investment strategy. Thus, the summaries of adherence to the corporate governance principles submitted by Generali Worldwide for the years 2009 and 2010 were inaccurate.

The Regulations and Handbook

Generali Worldwide failed to comply with certain requirements related to the Relationship Risk Assessment and failed to notify its staff timely of a change in the Money Laundering Reporting Officer.

Mitigating Factors

Since the on-site visit and the subsequent extensive examination, Generali Worldwide elaborated a risk mitigation plan, and implemented changes as a result in the processes and in the control functions that have addressed these failings. Moreover Generali Worldwide supported all the costs related to the examination performed by the Commission.

No policyholder has suffered actual loss as a result of the failures identified.

The Commission has taken Generali Worldwide's proactive approach to dealing and remediating with its concerns into consideration in determining the appropriate regulatory action.