

OFFSHORE GROUP OF INSURANCE SUPERVISORS



**PRINCIPLES PAPER
MAY 1995**

RECOMMENDATIONS ON PERSONAL LINES

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The first recommendation was passed in general meeting in 1995 and relates to permitted insurance activities for offshore domiciles. The recommendation states “there can be few justifiable reasons why a company seeking to sell domestic policies to the public should not be properly licensed in the country where the sales actually take place. Generally speaking, there is no need for personal lines business such as motor, household or medical policies and the like to be offshore, and offshore insurance supervisors should be immediately suspicious of any such application. Offshore insurance supervisors should be very careful as to which activities are allowed to be licensed and, again in general terms, they should be limited to captive insurance (including rent-a-captive and the other variations), reinsurance (with qualifications when necessary) and genuine offshore insurance (such as for expatriates) with careful controls on marketing of the products.