



Press Release

14 March 2017

## JFSC checks Jersey firms' Professional Indemnity Insurance

The Jersey Financial Services Commission (JFSC) has launched a review into whether Jersey firms hold adequate Professional Indemnity Insurance (PII).

The review, which begins this week, follows several recent supervisory cases that have raised concerns about the suitability of companies' PII cover and the level of understanding that senior management have about the terms of their insurance. The JFSC's Supervision division has identified policy exclusions that seemingly render cover inappropriate.

Focusing on the Investment, Fund Services, Trust Company, and General Insurance Mediation Business sectors, the review will assess a cross-section of firms and the level of cover they have in place. As part of the review, the JFSC will also evaluate the firms' practices when negotiating their cover and their respective experiences when making a claim.

JFSC Director of Supervision Non-Banking Firms, Jill Britton commented:

"PII forms an important part of Jersey's regulatory regime and we are concerned that some local firms may not give sufficient and appropriate attention to ensuring that they have suitable cover in place, or that they adequately understand the terms of that cover. It is essential that firms are able to comply with the terms of their insurance and that policies and procedures are in place, and followed, so that they do not invalidate their cover."

As Jersey does not have a financial services compensation scheme (other than for Bank Deposits), the JFSC is keen to stress to Industry that adequate PII cover is essential for protecting clients as well as the firms themselves.

Over the coming days, the JFSC will be contacting local companies requesting information about their current PII policies, any recent notifications, and any claims along with their related procedures.

Firms will need to provide this information by the end of April 2017 and a summary of the review's findings is expected to be published before the end of the year.

The JFSC is encouraging all firms that are not reviewed by the regulator to proactively check their own PII cover, ensuring that it meets the requirements of the relevant Codes of Practice. Firms should also make sure that they fully understand the terms of their cover and that they have sufficient policies and procedures in place to comply with these terms.

Any firms which identify any shortcomings in their insurance cover are asked to contact their JFSC Supervision Manager.

### Notes to Editors

For details of Jersey's Depositor Compensation Scheme please refer to <https://www.gov.je/Industry/Finance/DepositProtection/Pages/Overview.aspx>