

Isle of Man Government

News Release

5th February 2008



Isle of Man change in legislation yields immediate result

Keller Group Plc favours IOM for location of captive

The Isle of Man has recently enhanced its insurance regulations, giving the Insurance and Pensions Authority ("IPA") increased flexibility concerning solvency requirements.

Encouragingly, the change in the regulations have had an immediate impact in that Keller Group plc ("Keller"), a FTSE 250 company, have set up an Isle of Man captive, Capital Insurance Limited ("Capital") to replace its existing EU captive. The pragmatic regulatory regime in the Isle of Man was a key factor for Keller, in particular the increased flexibility regarding inter-company loans.

Derek Patience, Chairman of the Manx Insurance Managers Association (MIMA), commented "The Isle of Man's success in attracting, such a prestigious company such as Keller to the Island is a fine example of the healthy co-operation that exists between the Island's industry, Isle of Man Finance and the regulator".

In 2007, MIMA lobbied the IPA to review the existing regulations; the Regulator took the appropriate steps to amend the regulations and has created an improved environment for the captive industry."

Jackie Holman, Keller's Company Secretary, commented "The increasing level of regulation in Dublin was a concern for Keller. The Isle of Man provides us with a level of flexibility which we didn't have before".

John Spellman, Director of Isle of Man Finance, noted "We are delighted that Keller have decided to form an Isle of Man captive to replace their Dublin captive. It is powerful for the Isle of Man to reap such a quick reward of the recent regulation change concerning inter-company loans and we certainly believe that other captive owners will follow suit as they observe the pragmatic innovations we are implementing."

- Ends -

Notes to Editors:

Changes to regulations

The new regulation allows the Isle of Man IPA the flexibility, if certain criteria are met, to accept 100% of the value of an inter-company loan as an admitted asset for the purposes of calculating an insurer's solvency margin. In addition, the regulation allows certain financial liabilities of an insurer, to be added back to shareholders funds for the purposes of calculating the insurer's margin of solvency (only with the written approval of the Insurance Supervisor), to the effect that such liabilities would be treated as if they were equity capital of the insurer for regulatory purposes.

The Manx Insurance Managers Association (MIMA)

MIMA is dedicated to the progression and development of insurance management companies in the Isle of Man. It is focused on promoting the Isle of Man as a quality domicile for captives, general insurance and reinsurance business.

Isle of Man Finance

Isle of Man Finance is a division of the Treasury Department of the Isle of Man Government. It is responsible for assisting new financial services businesses to establish themselves on the Island, international media relations, international marketing and supporting existing Isle of Man financial services business.

Visit: <http://www.isleofmanfinance.com/media/mediaenquiries.xml>

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