

# Falcon Insurance PCC Limited



## About the Company

Falcon Insurance PCC Limited is a protected cell company privately owned by Guernsey residents and licensed by the Guernsey Financial Services Commission. Being privately owned, the Company is able to offer cell users access to independent service providers of their own choice such as bankers and lawyers.

## What is a PCC?

A PCC is a single legal entity whose assets are segregated and protected within one or more cells of the company.

A PCC is a corporate vehicle, enabling its users to ring-fence their individual assets and liabilities.

This enables multiple cell users to operate different businesses through the same legal entity, whilst legally isolating the assets and risks attached to each business from other cell users. Therefore should anything adverse happen to one cell, the other cells' assets are protected.

Further details can be found on the Guernsey Financial Services Commission website – [www.gfsc.gg](http://www.gfsc.gg)

## Potential Uses for a cell of a PCC

There are no restrictions regarding the type of business that can be undertaken by a cell but a business plan must be submitted to the GFSC for approval. Below are some examples of the potential uses for a PCC and the types of business that could be undertaken:

- An intermediate or alternative step for clients considering the possibility of establishing their own captive
- Access to reinsurance markets including terrorism pools such as Pool Re
- Niche products where conventional market cover is unavailable or expensive
- Joint venture undertakings
- Special purpose vehicles
- Commutation of captive programmes
- As a reinsurer for customer services, e.g. extended warranty, mobile phone guarantees etc.

## Advantages of a cell of a PCC

- Operating costs - because of the centralisation of functions within one company, a cell can offer substantial savings on both establishment and ongoing management
- Management time - less executive time to be spent by cell owner, primarily because their attendance is not required at PCC board meetings

- Set up costs - the setting up and closing down of a PCC cell does not require the same legal process for the incorporation or winding up of a company. Therefore it is quicker and cheaper to set up and less expensive to exit.
- No minimum capital – the cell will need to be funded adequately to cover the minimum margin of solvency and risk gap and this may be well below the minimum required for a separate captive.

## Disadvantages of a PCC

- Control - there is some loss of control as all business decisions are subject to the approval of the PCC board, all cells are subject to the same Guernsey tax treatment, the same auditors and the same financial year end.
- Full funding – the owner of the PCC will expect the cell owners to fully fund their risk gap by means of share capital or LOC.

## Who will manage the business of the cells?

Willis Management (Guernsey) Limited (WMG), a specialist captive insurance manager, will undertake the day-to-day administration.

WMG have been a driving force in the Guernsey captive management market for more than twenty five years during which time they have built up a strong reputation as an innovative and well-managed organisation that operates to the highest standards of corporate governance, regulatory and legal requirements.

WMG are part of the Willis Captive Practice that employs over 120 dedicated staff managing insurance companies in all major reputable domiciles.

## Why Guernsey?

- Guernsey is the niche market for PCC companies
- Guernsey has reputable and effective regulation to attract and control insurance companies
- Guernsey is the leading European captive/PCC domicile
- Guernsey is quickly and easily accessible from the UK

## How do I obtain further information?

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