

Policyholder protection in Guernsey

Briefing Summary: Guernsey has introduced significant new protection for insurance policyholders. Claims by policyholders of a Guernsey-licensed insurance company shall have priority over other creditors in the event of the insolvency or liquidation of that insurer. The recent change brings Guernsey into line with other jurisdictions with significant insurance business such as the UK.

Service Area: Corporate, Insurance Law

Sector: Insurance

Location: Guernsey

Content Authors: Christopher Anderson

Created Date: 12 July 2023

On 25 April 2023, Guernsey introduced the Preferred Debts (Insurance Policyholders) (Bailiwick of Guernsey) Amendment Ordinance, 2023. That Ordinance effects changes to the Preferred Debts Law, 1983, which accords priority to certain preferred creditors in the event of insolvency.

Full details of Guernsey's insolvency regime can be found [here](#). In summary, preferential debts in Guernsey now include:

- rent due to landlords (in Guernsey only);
- salaries;
- unpaid income tax;
- unpaid social security contributions, and following the introduction of the amendments above;
- amounts owed to policyholders by Guernsey-licensed insurers.

Rent due to a landlord has priority over other preferred debts. Salaries, unpaid income tax and social security contributions rank equally among themselves and ahead of liabilities to policyholders.

Preferred debts must be paid out of the insolvent estate in priority to non-preferred debts (other than fees and expenses of the liquidation). Secured assets generally fall outside of the insolvent estate in Guernsey and preferred debts will not have priority over secured creditors.

The new provisions apply only to amounts owed by a licensed insurer not being a Category 5 (captive) insurer to a policyholder under a contract of insurance or reinsurance and includes any premium due to be refunded.

Key Contacts



Christopher
Anderson
PARTNER, GUERNSEY
+44 (0)1481 741537

[EMAIL CHRISTOPHER](#)

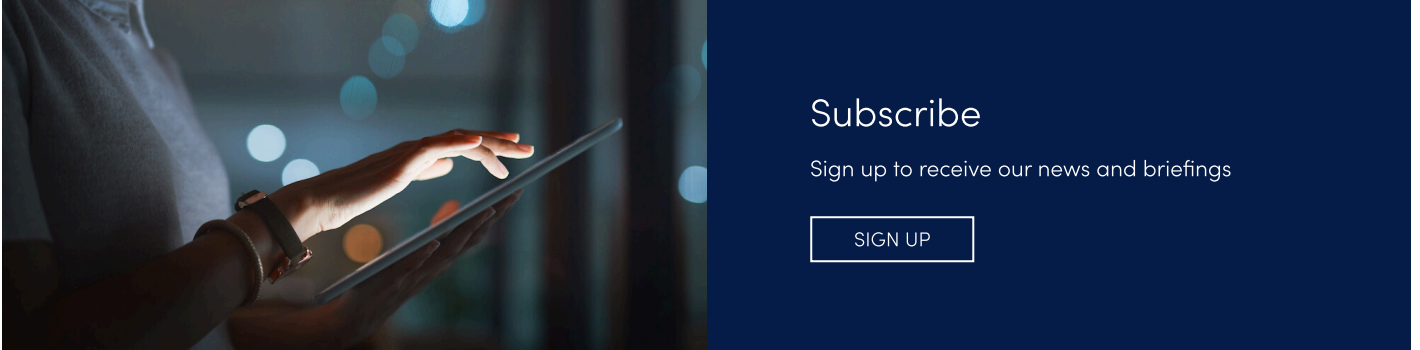


David Jones
PARTNER, GUERNSEY
+44 (0)1481 741554

[EMAIL DAVID](#)

OFFSHORE LAW SPECIALISTS

Please note that this briefing is intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied on as such. © Carey Olsen (Guernsey) LLP 2026



Subscribe

Sign up to receive our news and briefings

[SIGN UP](#)