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BY EMAIL & REGISTERED POST

Re: Requirements on Reserving and Risk Governance for Variable Annuities – Condition on Authorisation and Requirement for Information or Documents

Dear CEO

The Central Bank of Ireland (“Central Bank”) issued a letter to all Variable Annuity companies on 8 November. This letter set out qualitative disclosure requirements required by the Central Bank in respect of regulatory returns for the period ending 31 December 2010. The Central Bank is now formalising this requirement for future reporting periods and is setting out an enhanced capital requirements regime which is applicable from 1 January 2011. Please see enclosed paper entitled “Requirements on Reserving and Risk Governance for Variable Annuities” (the “Requirements”) for further details.

Therefore, pursuant to Regulation 12(2) of the European Communities (Reinsurance) Regulations 2006 (the “Regulations”), the Central Bank hereby imposes as a condition on the authorisation of the undertaking, the Requirements and pursuant to Regulation 71(a) of the Regulations to provide the Central Bank with the information or documents concerning the business of the undertaking specified in the Requirements.

The failure by the undertaking, or any person concerned in its management, to comply with a condition or information request constitutes a prescribed contravention and may be the subject of an administrative sanction under Part IIIC of the Central Bank Act 1942, and also constitutes an offence pursuant to Regulation 76 of the Regulations.

Donncha Connolly
Head of Retail Insurance Supervision