

CP104

From: Lyons, Lenka <Lenka.Lyons@marsh.com>
Sent: Wednesday 27 July 2016 16:37
To: CP104
Cc: Connell, Gerard
Subject: Consultation Paper 104: External Audit of Solvency II Regulatory Returns/ Public Disclosures

Subject: Consultation Paper 104: External Audit of Solvency II Regulatory Returns/ Public Disclosures

Dear Sir/Madam,

We refer to the Consultation Paper 104, External Audit of Solvency II Regulatory Returns/ Public Disclosure (CP104) and wish to thank the Central Bank (Bank) for the opportunity to provide our comments thereon.

As set out in the Central Bank of Ireland (the “Central Bank”) proposal the aim of the CP104 is to support the stability of the financial system, and the protection of consumers of financial services. We too recognise the importance of the role of external audit in this process, however as Captive Managers, we would like to raise concerns for ourselves and for our captive clients.

Captives: By their very nature, and as set out in the definition of captive (re)insurance undertaking (S.I. 485 of 2015), **the purpose of captive is to provide (re)insurance cover exclusively for the risks of the undertaking or undertakings to which it belongs or of an undertaking or undertakings of the group of which it is a member.**

CP104 (Section 1.4 of CP 104 Overview) states “this proposal is intended to give users of the SFCR, including investors, policyholders and the Central Bank, greater confidence in the quality of the information disclosed in the SFCR. In addition, this information may enable investors to make better informed investment decisions, which should in turn contribute to market discipline”.

As Captive Managers, we strongly support the view that the number of users of the information disclosed in the SFCR will be very limited – as set out in the definition of captives – policyholders would not extend outside the group entities. Similarly pure captives are single parent captives and any investors would be limited to Parent Company/ shareholders investments only.

Therefore we are seeking the Central Bank to consider the principle of proportionality whilst ensuring that the requirements imposed on the captive industry in Ireland are broadly similar with requirements elsewhere and as such encourage captives to continue to operate within Ireland.

Submitted on behalf of Marsh Management Services (Dublin) Limited.

Kind regards,
Lenka

Lenka Lyons FCCA, Vice President
Captive Solutions - Securitization and Structured Finance
Marsh Management Services (Dublin) Limited
Floor 4, 25-28 Adelaide Road, Dublin 2, IRELAND
+353 1 605 3046 | Mobile + 353 87 652 8982 | lenka.lyons@marsh.com
www.mmc.com | Follow Marsh on: [Twitter](#) | [LinkedIn](#) | [Facebook](#) | [YouTube](#)