

Central Bank of Ireland
North Wall Quay
Spencer Dock
Dublin 1

29th July 2016

Re: Consultation on external audit of Solvency II returns and disclosures (CP104)

Dear Sir/Madam,

I am writing on behalf of New Ireland Assurance Company with regard to Consultation Paper 104: External audit of Solvency II returns and disclosures. We support the aim of providing assurance over important information and welcome the opportunity to comment on the proposal. Set out below are some comments and suggestions which we wish to make on the detail of the consultation paper.

1. Potential duplication or overlap of requirements

We are concerned that there will be significant duplication and overlap as a result of the introduction of external audit on top of the current requirements. Taking technical provisions as an example, the Board are currently required to sign-off on the solvency balance sheet. In order to do this, each company is required to have an Actuarial Function under Solvency II which is responsible for the calculation of the technical provisions. Under the Central Bank's Domestic Actuarial Regime, companies are required to appoint a Head of Actuarial Function (HoAF) who is responsible for certifying, in a personal capacity, that the technical provisions are appropriate. In addition, there is a requirement for a periodic peer review of the HoAF's calculations. As the external audit will also cover technical provisions and is likely to include a further actuarial review, this would seem to be a significant overlap which is likely to lead to, in effect, a number of experts reviewing the work of other experts.

2. Cost and Ultimate Impact on Customers

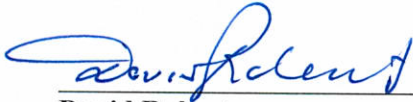
The addition of such a wide-ranging external audit will add to the cost of Solvency II which should be considered in the context of the overall costs of Solvency II and the wider Regulatory Framework. We fully recognise that customers both desire and benefit from a strong regulatory environment. We are also conscious, however, that it is customers who ultimately pay for the associated costs. As a result, whilst we welcome the benefits of a solid regulatory environment, we also recognise our responsibility to ensure that it is provided in an appropriately effective and efficient manner.

Alternative approaches

One possible solution is that peer review could be removed as a requirement for firms as the auditor and their actuarial expert will be providing assurance on technical provisions as part of their work. Alternatively, aspects that are included in the peer review could be excluded from the scope of the audit.

Thank you for the opportunity to submit comments and suggestions on the proposal.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Roberts', written over a horizontal line.

David Roberts
Actuarial and Finance Director
New Ireland Assurance Company