



FINANCIAL REGULATOR
Rialtóir Airgeadais

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SPENCER DOCK,
DUBLIN 1, IRELAND

22 February 2010

Dear Compliance Officer

The Financial Regulator is conducting a survey amongst life insurance companies in regard to investment products which are marketed as being invested in cash or partially invested in cash. In the case of funds marketed as “cash” or a similar term this might be construed as meaning deposits or other instruments redeemable at face value. Should such funds invest in variable instruments such as FRNs there may be issues in regard to policy holders’ reasonable expectations.

As you will be aware there are obligations on insurance companies to ensure that they reserve adequately for policyholders’ reasonable expectations. The Financial Regulator is therefore requesting all life companies to examine all such funds and requests your company to submit the following information:

- (i) The amount of each fund (as reported to the customer)
- (ii) Whether the fund has a “no fall in value” assurance
- (iii) Any difference between market value and face value

Please submit this information by 20 March 2010. If you have any questions please contact your relevant desk officer.

Yours sincerely

Tony Jeffery
Deputy Head of Insurance Supervision