



FINANCIAL REGULATOR  
*Rialtóir Airgeadais*

GUIDELINES ON ACTUARIAL  
FINANCIAL CONDITION  
REPORTS (FCR) FROM LIFE  
ASSURANCE COMPANIES

August 2009

Insurance Supervision Department

# Context

This document is a reformatted version of the original guidance document issued by the Department of Enterprise, Trade & Employment in July 2001. No fundamental changes have been made to the original document.

In July 2000, the Monetary and Exchange Affairs Department of the International Monetary Fund, in conjunction with the World Bank, completed an assessment of the regulation of the financial sector in Ireland. In relation to the insurance sector, the assessment was carried out by reference to standards and guidelines laid down by the IAIS (International Association of Insurance Supervisors).

It was considered that, in view of the rapidly growing cross-border assurance business, there were grounds for requiring that an annual Financial Condition Report (FCR) be prepared by each Irish-authorized life assurance company for submission to its Board and to the Supervisor.

In the initial round of consultations with industry bodies and professional associations, a view was expressed that an annual FCR could constitute a disproportionate burden, especially for smaller companies. A submission schedule of once every three years was agreed as an alternative.

# Requirement

The requirement on life assurance companies to prepare and submit an FCR to the Directors and to the Financial Regulator will therefore apply once every three years, though the Financial Regulator will have the right to prescribe a more frequent reporting schedule in particular cases. The first such report was submitted in respect of either the 2001 or 2002 financial year.

The report should be submitted to the Supervisor not later than the date on which the company's Annual Return is submitted.

The FCR should be prepared in accordance with the Actuarial Standard of Practice LA-2 and any other relevant guidance provided by the Society of Actuaries in Ireland.

The Actuary signing the report should hold a Practising Certificate issued by the Society of Actuaries in Ireland. The Actuary can be an employee of the company (including of its parent) or an external consulting actuary.

The Supervisor will treat the FCR as a commercially sensitive document provided on a confidential basis.



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