



*European Captive Insurance and Reinsurance Owners' Association*

11 August 2010

Dear Members

A request to complete QIS5

The QIS5 exercise has now started and results must be submitted to Supervisors by the end of October 2010. **We urge you to take part in this.**

It is extremely important that all European captives complete the exercise so that we have sufficient data to be able to demonstrate the different and special nature of our captives to Regulators (only 99 out of around 550 captives participated in QIS4). Having this data will add tremendous weight to our arguments for simplifications and the application of the proportionality principle to captive undertakings.

Another important reason to take part in QIS5 is the requirement for the Boards of Directors of companies to understand the models used for the solvency calculation. QIS5 is an opportunity for the Board to ensure they are compliant before implementation of Solvency II.

We are aware that some captive owners are considering the use of an internal (or partial internal) model for their captives. If you are considering this approach, we encourage you to present your results to Regulators along with the results of the standard model.

As of today, 88 captive owners and prospective captive owners have registered for the European Captive Forum in Luxembourg on 19<sup>th</sup> & 20<sup>th</sup> October. The conference is free to attend. The programme is very varied and interesting and many market-leading speakers have agreed to take part. If you have not already done so, we recommend that you register for this event at [www.europecaptiveforum.com](http://www.europecaptiveforum.com), where full information on the programme is available. You can also find information on accommodation and we recommend that you book your hotel room as soon as possible.

A copy of the VIP invitation for the conference is attached below. Please circulate this to your contacts and help to make the conference a success.

We look forward to seeing you in Luxembourg in October.

Kind Regards

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