



Amsterdam, 23 August 2010

PRESS RELEASE

The European Insurance CFO Forum (the CFO Forum) announces press release on QIS5

The European Insurance CFO Forum (CFO Forum) welcomes the European Commission's recently issued fifth quantitative impact study (QIS 5) which will facilitate an assessment of the current state of Solvency II. The CFO Forum believes that broad participation in the study is necessary to ensure that a clear picture will be developed of the appropriateness and feasibility of the solutions and options set out in the QIS5 proposals by the Commission and whether they would allow the finalisation of the implementing measures of Solvency II.

The CFO Forum fully supports the principles of Solvency II set out in the Level I Directive as a means to introduce a consistent economic, risk based solvency approach to insurance regulation reflecting the industry's business model.

A number of outstanding industry concerns remain to be addressed in order to achieve a balance that will result in continued consumer protection, support financial stability and, at the same time enhance the competitiveness of the European insurance industry so that it can contribute to the overall economy, by offering risk protection for an appropriate cost to its customers.

The Chair of the CFO Forum, Dieter Wemmer, commented: "As the leading EU Insurance companies, we recognise the need for a robust regulatory regime and in particular that companies retain adequate solvency capital based on realistic, consistent and market based risk assumptions consistent with the principles set out in the Level I Directive. While welcoming the QIS 5 exercise as a step in the finalisation of the implementation, we are still concerned that some of the proposals in QIS 5 do not reflect these principles and, if implemented as currently proposed, could be damaging to the industry and its customers."

The QIS 5 exercise will run between August and mid-November 2010. The results of the QIS 5 review are due to be published by the Commission in late April 2011.

Background:

The European Commission launched its proposal for a fundamental and wider ranging review of solvency requirements, Solvency II, in July 2007. The text of the Solvency II Framework Directive was agreed after prolonged negotiation between the European Parliament, Council and Commission in spring 2009.

The EC is now drafting its proposals for the implementing measures.

Four quantitative impact studies (QIS) have been run by CEIOPS in preparation for the implementing measures. QIS 5 comes at the final stage in their preparation. The EC is due to present its proposals for the implementing measures in spring 2011. The Directive is due to be transposed into national legislation by 31 December 2012.

Notes for editors:**Enquiries:**

Zurich Financial Services Group (media@zurich.com)

CFO Forum Virtual Project Office (VPO) (cfoforum.vpo@uk.pwc.com)

About the CFO Forum and its work:

The CFO Forum is a high-level discussion group formed and attended by the Chief Financial Officers of major European insurance companies (Aegae, AEGON, Allianz, Aviva, AXA, BNP Paribas Assurance, CNP, Generali, Hannover Re, If P&C, ING, Legal & General Group, Mapfre, Munich Re, Old Mutual, Prudential, Scottish Widows, Standard Life, Swiss Re, Zurich Financial Services Group). Its aim is to discuss issues relating to financial reporting developments for their businesses and how they can create greater transparency for investors. The CFO Forum was created in 2002.

More information on the CFO Forum, its European Embedded Value Principles and Elaborated Principles for an IFRS Phase II Insurance Accounting Standard is available at www.cfoforum.eu.