



Qatar Financial Centre's focus on captive insurance given boost with Regulatory Authority's release of proposals to develop sector

Doha, Qatar, July 06 2010 In an important step towards realising Qatar's aspirations to become a regional hub for insurance services, the QFC **Regulatory Authority** has released a Consultation Paper on a series of proposals designed to develop the QFC as a base for captives and includes related proposals for protected cell companies and insurance intermediaries' regimes.

The proposals reflect the objectives of the Regulatory Authority to further the QFC's development as a leading financial and business centre in the Middle East, while ensuring the QFC continues to implement and enforce high international regulatory standards.

What has come to be known as the 'self-insurance' industry – that includes 'captive' insurance vehicles - is projected to see strong growth in the region, driven by increased interest in alternative means of transferring risk and insuring high capital value ventures.

The Regulatory Authority Chairman and CEO, Phillip Thorpe welcomed this latest Consultation Paper saying:

"Qatar's insurance markets are expected to see substantial growth over the coming years as the economy of Qatar and the region continues to expand. We want to support that growth by ensuring that we have the appropriate regulatory structures in place that will allow new business to establish, while ensuring that high standards, which are the hallmark of the QFC, are maintained."

Feedback on these proposals will assist the Regulatory Authority in the further development of these regimes, its regulatory approach and the preparation of draft rules. The consultation period for responses is open until 20 July 2010.

Details for submissions can be found at:

http://www.complinet.com/qfcra/display/display.html?rbid=1557&element_id=3290

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PRESS RELEASE



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About the QFC Regulatory Authority

The QFC Regulatory Authority is an independent regulatory body established by Article 8 of the QFC Law. It regulates firms that conduct financial services in or from the QFC. It has a broad range of regulatory powers to authorise, supervise and, when necessary, discipline firms and individuals. The QFC Regulatory Authority regulates firms using principle-based legislation of international standard, modelled closely on that used in major financial centres. Further details are available on the website www.qfcra.com

About the Qatar Financial Centre

The Qatar Financial Centre (QFC) is a financial and business centre established by the Government of Qatar and located in Doha. It has been designed to attract international financial services institutions and major multi-national corporations and to encourage participation in the growing market for financial services in Qatar and elsewhere in the region. The QFC operates to international standards and provides a first class legal and business infrastructure for those doing business within the QFC. The QFC was created by QFC Law No.(7) of Qatar and has been open for business since 1 May 2005.

Captive Insurance

A 'captive' is an insurance business created or owned by an industrial, commercial or financial group, the purpose of which is to insure risks emanating from its parent company or group. As such, captives are part of the wider 'self insurance' industry and are one of many financial vehicles in the alternative risk management sector.

Captives present a number of benefits by compensating for coverage gaps in the insurance market, reduction of risk financing costs, retention of underwriting profits and direct access to the professional reinsurance market.

Gulf based organisations, often involved in major capital projects, have a significant focus on their risk financing strategy and, in that connection, are becoming more interested in alternative risk transfer and the use of captives as a way of better controlling insurance costs whilst at the same time focusing on their risk management strategy.