

**CEIOPS' Advice for
Level 2 Implementing Measures on Solvency II:
Transparency and Accountability**

(former Consultation Paper 34)

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1. Introduction

- 1.1. In its letter of 19 July 2007, the European Commission requested CEIOPS to provide final, fully consulted advice on Level 2 implementing measures by October 2009 and recommended CEIOPS to develop Level 3 guidance on certain areas to foster supervisory convergence.
- 1.2. This Paper aims at providing advice for Level 2 measures with regard to Transparency and Accountability, as requested in Article 31 of the Solvency II Level 1 text¹ ("Level 1 text"), which provides that "the supervisory authorities shall conduct their tasks in a transparent and accountable manner with due respect for the protection of confidential information". It also presents some ideas as to how the accessibility of information could be improved through Level 3 guidance. To the extent that advice is adopted as Level 2 implementing measures, and other guidance is provided by CEIOPS at Level 3, these will also be within the scope of the disclosures under Article 31(2)(a) and (b).
- 1.3. Transparency is a key element for effective insurance supervision. Supervisory authorities are accountable for how they enforce compliance with prudential regulations as well as for how they foster sound governance practices on the part of the undertakings they supervise. Therefore appropriate disclosure by supervisory authorities on supervisory approaches and their legal basis is desirable to ensure proper accountability. Just as insurance and reinsurance undertakings are required under the Solvency II framework to disclose important information about their businesses to the general public, so should supervisory authorities make available to stakeholders the rules, principles and guidelines applied while performing their supervisory tasks.
- 1.4. Encouraging transparency is especially important under the Solvency II regime as this not only introduces a principles-based supervisory regime across Europe which requires greater reliance on the qualitative assessments of supervisory authorities and could thus increase the scope for supervisory discretion in general, but also aims at promoting supervisory convergence. Disclosure by supervisory authorities will help to foster harmonised practices across Member States.
- 1.5. The requirement of the Level 1 text that supervisory disclosures should be sufficient to enable a comparison of approaches provides an opportunity to develop a framework that will ensure an appropriate level of harmonisation, not only in terms of what is being disclosed, but also in terms of the language used, as well as on the location and format of the disclosures. In this way, supervisory disclosures throughout the EEA can be made more readily accessible and easier to compare.

¹ Latest version from 19 October 2009 available at <http://register.consilium.europa.eu/pdf/en/09/st03/st03643-re01.en09.pdf>

- 1.6. Annex 1 lists CEIOPS' current view of aggregate statistical data on key aspects of the application of the prudential framework to be commonly disclosed. This paper sets out the minimum that CEIOPS considers should be disclosed, but supervisors are free to disclose further information if they consider appropriate.
- 1.7. Annex 2 gives an example as to how a common format for the disclosure of the use of options included in the Level 1 text under Member States' national law could look like.

2. Extract from Level 1 text

- 2.1. According to Article 31 of the Level 1 text:

1. *The supervisory authorities shall conduct their tasks in a transparent and accountable manner with due respect for the protection of confidential information.*

2. *Member States shall ensure that the following information is disclosed:*

- (a) *the texts of laws, regulations, administrative rules and general guidance in the field of insurance regulation;*

- (b) *the general criteria and methods, including the tools developed in accordance with Article 34(4), used in the supervisory review process as set out in Article 36;*

- (c) *aggregate statistical data on key aspects of the application of the prudential framework;*

- (d) *the manner of exercise of the options provided for in this Directive;*

- (e) *the objectives of the supervision and its main functions and activities.*

The disclosure provided for in the first subparagraph shall be sufficient to enable a comparison of the supervisory approaches adopted by the supervisory authorities of the different Member States.

The disclosure shall be made in a common format and be updated regularly. The information referred to in points (a) to (e) of the first subparagraph shall be accessible at a single electronic location in each Member State.

3.

4. *The Commission shall adopt implementing measures relating to paragraph 2 specifying the key aspects on which aggregate statistical data are to be disclosed, and the format, structure, contents list and publication date of the disclosures.*

3. Advice

3.1. General disclosure requirements

- 3.1. Supervisory disclosure aims to make information related to supervision, and in particular to prudential supervision, available in a timely manner to all interested parties, including (re)insurance undertakings, brokers and intermediaries, other market participants, other supervisory authorities, and (potential) policyholders. It has two main objectives:
 - a) Enhancing the effectiveness of supervision;
 - b) Helping to foster convergence of supervisory practices and thus promoting a level playing field throughout Europe.
- 3.2. The first objective is achieved by facilitating the interaction between supervised undertakings and supervisory authorities and by addressing the legitimate expectations of undertakings which need clarity and transparency of the rules and supervisory requirements they have to comply with. The last objective is reached by providing easy access to the disclosed information thus facilitating comparisons of supervisory approaches.
- 3.3. CEIOPS considers it important for ensuring comparability that non English speaking Member States provide the adequate level of supervisory disclosures in English in addition to their national language(s). However, any requirement on the way this is achieved, the extent and timeframe for translation should be developed under Level 3 guidance.
- 3.4. It is also important that supervisory disclosures are accessible on the Internet, via the national supervisory authorities' websites. In order to allow stakeholders easier access to this information, CEIOPS is currently developing its website further to act as a central gateway to, and point of comparison for, the Member States' disclosures.
- 3.5. Achieving the objectives set in the Level 1 text of enabling comparisons between the different supervisory practices adopted across Member States possibly calls for different approaches to each of the subparagraphs of Article 31(2). In many instances, it is premature to define the layout of the disclosures as it will depend not only on the final Level 2 implementing measures but also on Level 3 guidance. However, at this stage, CEIOPS envisages that the supervisory disclosure will be similar to that already in place for the Committee of European Banking Supervisors² (CEBS).
- 3.6. When disclosing the texts of laws, regulations, administrative rules, and general guidance in the field of insurance regulation under Article 31(2)(a) of the Level 1 text, the emphasis should be on providing accurate and complete information. An accompanying transposition table would allow an

² See <http://www.c-eps.org/Supervisory-Disclosure.aspx>

understanding of how the transposition has taken place. CEIOPS will develop the transposition table to allow an overview on CEIOPS' website of how different Member States have undertaken the transposition, and linking to similar disclosures on each Member State's own website³ in a table similar to Annex 2.

- 3.7. The disclosure stated under Article 31(2)(b) of the Level 1 text on Supervisory Review Process (SRP) general criteria and methods referred to in Article 36, as well as the tools developed under Article 34(4), is a means to provide undertakings with a broad understanding of how supervisory authorities will assess the systems and procedures required by the Level 1, 2 and 3 texts⁴. Accordingly, the information provided does not need to be exhaustive on what might influence the supervisory assessment but sufficient to give undertakings an idea of what to expect. CEIOPS will develop a common format for this information to ensure that it provides an adequate understanding of the SRP.
- 3.8. The disclosure of aggregate statistical data under Article 31(2)(c) is intended to provide general information on national insurance sectors as well as on important supervisory activities of the supervisory authorities themselves. The disclosures concerning the insurance sector should cover both Pillar I and Pillar II information, with aggregate national data reported in comparable terms over time. Annex 1 lists CEIOPS' current view of key data to be commonly disclosed by supervisory authorities, and CEIOPS will provide a template linking the national data on its own website to allow easier comparison of the data. The list contains definitions on what the required data is supposed to include as a minimum in order to ensure comparability of the aggregate data between different Member States. These will be refined as the quantitative reporting templates are developed at Level 3 at which point CEIOPS will develop a common format for disclosure of the aggregated information.
- 3.9. Since the need for supervisory disclosure does not override the confidentiality principle as regards the exchange of information and professional secrecy, the aggregate statistical data referred to above may be disclosed only insofar as entity-specific data cannot be derived from the aggregate data. However, any data that an undertaking itself is required to disclose, e.g. under Pillar III, does not raise confidentiality issues⁵.
- 3.10. When disclosing the manner of exercise of the options under Article 31(2)(d) of the Level 1 text, stakeholders should be able to identify the differences in approach between Member States. Thus the aggregate information on CEIOPS website will give an overview of all options granted under the Directive and how they were exercised in the different Member

³ See for example how this has been achieved on CEBS' website at <http://www.c-eps.org/Supervisory-Disclosure/Rules-and-guidance.aspx>

⁴ No Level 2 advice is envisaged for Article 36 but Level 3 guidance may be developed. CEIOPS has already given an indication of the principles that will apply to the Supervisory Review Process (SRP) in the Issues Paper issued in August 2008. (http://www.ceiops.eu/media/docman/public_files/consultations/CEIOPS-IGSRR-18-08%20Issues%20Paper%20on%20SRP%20and%20Reporting-final.pdf)

⁵ It is envisaged that the data that is published is unlikely to be data to which the criteria in Article 53(1) might apply.

States. The options referred to in Article 31 are the ones available under the Level 1 text. An example of a Member State option at Level 1 that would be included would be the choice given in Article 51(2) regarding the disclosure of capital add-ons in the first five-years of implementation of the Directive. The basis for the common format for the national disclosure is available as Annex 2 of this Advice.

- 3.11. Disclosure of the objectives of supervision and its main functions and activities as required under Article 31(2)(e) is intended to give stakeholders a general idea of what the purpose of insurance supervision is and what they can expect supervisory authorities to do. This information cannot easily be provided in a way that allows for comparability and maximum information value on the national level at the same time. To explain supervision, individually designed narrative information would be preferable while comparability would be best served by listing supervisory objectives, tasks, powers and activities according to a prescribed table. CEIOPS proposes to balance both objectives by a narrative description based on commonly agreed terminology that covers what national insurance supervision means and where its limitations are. The aim in this context is to harmonise as far as possible the way the objectives are disclosed to facilitate comparability. CEIOPS' website should however provide a central gateway to each Member State's disclosure.
- 3.12. To facilitate the accessibility of information provided by different Member States, information must be easy to locate on the supervisory authority's website. CEIOPS therefore considers that national supervisory authorities should provide the necessary information in a way that guides stakeholders and makes information easy to find.
- 3.13. In CEIOPS' view, Article 31 of the Level 1 text does not preclude national supervisory authorities from disclosing additional information and from choosing to do this in a form that does not aim for consistency with the obligatory data. For instance a supervisory authority could decide to publish further aggregate statistical data in a different structure, in a national (non-Euro) currency only, or give total amounts where the common disclosure templates require that a percentage is stated.
- 3.14. The Level 1 text does not require supervisory authorities to keep aggregate statistical data accessible after updated data has been disclosed. Nevertheless, CEIOPS proposes that, in order to enable stakeholders to analyse historical data, supervisory authorities should at least keep the data of four previous years on their websites with the exception of the first years where the data will be available only from 2012 onwards.
- 3.15. While CEIOPS understands that the implementing measures on the format, structure, contents list and publication date of the disclosure refers to all the information to be disclosed according to (a) to (e) of Article 31(2) of the Level 1 text, this does not however mean, in CEIOPS' view, that a specification of these points is required for all five items listed in paragraph 2. Setting out the format and structure and the contents lists of the disclosure does not seem necessary in all instances at this stage.

Accordingly, the advice suggests specifications that cover all points but not for each and every item listed in (a) to (e).

- 3.16. Except for the publication dates of the disclosures, CEIOPS believes that implementing measures should be principles-based with details to be determined between supervisory authorities on Level 3.

3.2. Format and structure of disclosures

Explanatory text

- 3.17. 'Format' covers the form of the disclosure and further details on how the information should be prepared. It also includes the template to be used. Ideally the information to be disclosed would look as much alike as possible for easy comparability between Member States. To help achieve that, CEIOPS will develop common templates where possible to determine the minimum required input, which can be added to according to national needs.
- 3.18. The Level 1 text requires that the implementing measures to be developed shall specify the format of the disclosures. However, in CEIOPS' view only the elements named in Article 31(2)(c) and (d) are suitable for presentation in a common format. The other information is too heterogeneous in the forms in which it is available on national level to lend itself to disclosure in template form. For this data a common structure must suffice to provide accessibility and comparability.
- 3.19. 'Structure' covers the specification of the contents of the disclosure and also the way the information is arranged in general. For instance with laws and regulations, decisions on the structure would include the sequence of the information which should be left up to the Member States to tailor as they see fit, for example, the structure could follow the decreasing legal strength of the rules (laws, followed by regulations, administrative rules and general guidance) or could be grouped by subject matter. What is important is that the nature of the information is clearly identifiable.

CEIOPS' advice

- 3.20. The structure and format shall allow the information to be easily accessible and comparable for stakeholders. Information according to Article 31(2)(c) and (d) shall be presented in a common format for all Member States.

3.3. Content of disclosures

3.3.1. Rules and guidance

Explanatory text

- 3.21. Article 31(2)(a) of the Level 1 text requires Member States to ensure disclosure of the texts of laws, regulations, administrative rules and general guidance adopted in the field of insurance regulation.
- 3.22. This includes the texts of the laws, regulations, and administrative rules issued by each Member State to implement EU Directives related to insurance regulation and for all prudential insurance-specific provisions applicable in a Member State. CEIOPS interprets 'in the field of insurance regulation' to cover insurance-specific rules contained in generally applicable laws and regulations insofar as supervising compliance with these rules falls within the scope of the prudential responsibilities of the national supervisory authority. Generally, laws and regulations or parts of them, which are equally applicable to non-insurance undertakings will fall outside the definition of insurance regulation and are not required to be disclosed. However, if supervising compliance with these rules falls within the scope of the prudential responsibilities of the national supervisory authority the generally applicable rules are, for the purposes of this Advice, interpreted as prudential insurance regulation after all.
- 3.23. For the purpose of supervisory disclosure, the term 'administrative rules' is understood to refer to documents from supervisory authorities that instruct supervised undertakings on legislative and regulatory requirements in the field of insurance regulation, including the supervisory approval process where such approval is required.
- 3.24. In order to ensure an adequate level of quality of supervisory assessments and supervisory conformity within the authority, supervisory authorities may establish internal guidelines setting out what is to be taken into account in reviewing and evaluating the compliance by supervised undertakings with applicable laws and regulatory requirements. This is proprietary information which falls outside the scope of mandatory disclosure. Supervisory authorities may however choose to disclose such information, as they see fit.
- 3.25. As far as supervisory disclosure is concerned, general guidance covers other relevant explanatory information which supervisory authorities provide to undertakings under their supervision in order to facilitate compliance with the prudential framework, e.g. FAQ providing information on potential problems that already have an established solution.
- 3.26. As required by Article 31(2)(a) of the Level 1 text, disclosure means publishing the full text. A pure listing of the applicable provisions is not sufficient. Neither is it sufficient to only disclose the parts of the provisions that are considered to be important. Where general legal provisions contain insurance-specific sections or rules and the supervision of compliance of these specific sections falls within the scope of

responsibilities of the prudential supervisory authority, it is however sufficient to disclose this part. The remainder of these provisions would not qualify as 'insurance regulation' for the purpose of Article 31(2)(a) of the Level 1 text.

- 3.27. CEIOPS understands the requirement that the information be accessible at a single electronic location in a material rather than a formal sense. This means that the information may actually be disclosed at another electronic location provided easy accessibility via a link is ensured from the 'single electronic location'. For this to be considered the case a direct link to the relevant webpage is necessary so the users do not have to navigate the website to locate the information themselves. For that reason, CEIOPS intends to provide the information on the CEIOPS website with links to the relevant pages on each national supervisory authority's website. Obviously, when providing links to other websites, it is necessary to ensure that these links are maintained over time.
- 3.28. Possible structures for the information could include a clear arrangement according to the four categories: laws, regulations, administrative rules and general guidance or according to the first three categories with general guidance placed with the laws, regulations and rules it refers to.

CEIOPS' advice

3.29. The disclosure of the texts of laws, regulations, administrative rules and general guidance adopted in the field of insurance regulation covers the full text of all insurance-specific prudential regulatory provisions as well as of generally applicable provisions where supervising compliance with these rules falls within the scope of prudential responsibilities of the national supervisory authority.

3.3.2. Supervisory review

Explanatory text

- 3.30. Article 31(2)(b) of the Level 1 text requires Member States to ensure that the general criteria and methods supervisory authorities use in the supervisory review process as set out in Article 36 of the Level 1 text are disclosed. It also stipulates that the tools developed in accordance with Article 34(4) are disclosed.
- 3.31. Criteria and methods for the SRP cover the general means and measures supervisory authorities employ to review and evaluate compliance with the requirements itemised in Article 36(2) of the Level 1 text and assess the adequacy of the methods and practices of (re)insurers designed to identify factors that could adversely affect their overall financial standing as well as the ability of undertakings to withstand these factors. The criteria include general information as to how the scope of supervisory reviews is determined and the range of a full supervisory review and supervisory expectations from it (for examples see the "green boxes" in CEIOPS Level

- 2 advice on Supervisory Reporting and Public Disclosure Requirements⁶). Apart from a general description of what supervisors could do during the SRP (e.g. on-site inspections or visits, asking for submission of additional information or more detail on information provided via supervisory reporting, requiring information from external experts etc.) the methods include the main monitoring tools supervisory authorities use to identify deteriorating financial conditions in undertakings and monitor remedial actions taken by undertakings.
- 3.32. As the criteria and methods to be disclosed are 'general' it is sufficient to give an overview that ensures that stakeholders can broadly understand what is relevant for supervisory authorities in conducting the SRP. This will include the application of the principle of proportionality.
- 3.33. Criteria and methods for the SRP do not include a description of the remedial powers available to supervisors (e.g. asking for an internal model to be developed or setting a capital add-on) or the criteria governing their use. However, the criteria to approve an internal model, approve ancillary own funds or set a capital add-on, among others, will be covered by both Level 2 implementing measures and Level 3 guidance and consequently be disclosed under "laws, regulations and administrative rules and general guidance".
- 3.34. The reference to tools developed in accordance with Article 34(4) relates to quantitative tools under the SRP to assess the ability of the (re)insurance undertakings to cope with possible future events or future changes in economic conditions that could have unfavourable effects on their overall financial standing, i.e. the reference is to stress tests and sensitivity analyses. The reference in Article 34(4) relates to mandatory tests to be performed according to parameters set by the supervisor⁷. If these mandatory stress tests are harmonised, either at a European or national level, then the basis for this decision, including the parameters to be used, should be disclosed. Individual results of such stress tests will not be disclosed as part of Article 34(4).
- 3.35. CEIOPS does not anticipate that disclosure on the required level will reveal material differences in the approach of different supervisory authorities since it is assumed that Level 3 guidance on the SRP aims to encourage convergence of the general criteria and methods to be applied. Consequently, while CEIOPS' public disclosure web pages could contain links to the underlying Level 3 text, the major elements in the SRP framework would tend to be subject to a convergent approach developed by CEIOPS. This would not preclude national supervisory authorities from disclosing additional information about their SRP.

⁶ CEIOPS' Advice for Level 2 Implementing Measures on Solvency II: Supervisory Reporting and Public Disclosure Requirements CEIOPS-DOC-50/09, see <http://www.ceiops.eu/index.php?option=content&task=view&id=609>

⁷ CEIOPS highlights that such mandatory standardised stress tests would not replace the individual stress tests to be performed by the (re)insurance undertaking as part of its risk management system.

CEIOPS' advice

- 3.36. Criteria and methods for the supervisory review process cover the general means and measures supervisory authorities employ to review and evaluate compliance with the requirements itemised in Article 36(2) of the Level 1 text and assess the adequacy of the methods and practices of (re)insurers designed to identify factors that could adversely affect their overall financial standing as well as the ability of undertakings to withstand these factors. The criteria include general information as to how the scope of supervisory reviews is determined, the range of a full supervisory review and supervisory expectations from it. Apart from a general description of the supervisory review process the methods include the monitoring tools supervisory authorities use to identify deteriorating financial conditions in undertakings and monitor remedial actions taken by undertakings.
- 3.37. Where mandatory standardised stress tests are harmonised, either at a European or national level, the basis for this decision, including the parameters to be used, shall be disclosed. Individual results of such stress tests will not be disclosed as part of Article 34(4).

3.3.3. Aggregate statistical data

Explanatory text

- 3.38. Article 31(2)(c) of the Level 1 text requires the supervisory disclosure of aggregate statistical data on key aspects of the application of the prudential framework. CEIOPS envisages that the precise detail of the statistical data, provisionally set out in Annex 1, will be defined on Level 3.
- 3.39. The 'key aspects' comprise part of the information about supervised undertakings that was reported to the supervisory authority or represents the outcome of supervisory assessments (e.g. own funds levels or level of technical provisions of the national market), as well as information on important aspects of prudential supervision, i.e. information about the supervisory authorities themselves. In determining what are to be considered key aspects, CEIOPS has taken into account what would constitute useful information about (re)insurance undertakings and prudential supervisory work from a stakeholders' point of view.
- 3.40. Aggregate statistical data on undertakings will be based on information that is already available to the supervisory authority, as information that the supervisory authority does not use for supervisory purposes could not be considered 'key'. Consequently the required disclosures will not place any additional burden on the supervised undertakings.
- 3.41. In principle, the aggregate data should cover all the supervised undertakings under Solvency II. A lower coverage will be acceptable only in exceptional circumstances, where the information is not available in time for the disclosure. The aggregation will take place at a national level

and, additionally, where circumstances allow, CEIOPS may provide an overall aggregation on its website. For some Member States the information in relation to 2012 will not be complete information as the financial year does not coincide with the end of the calendar year for every (re)insurance undertaking.

- 3.42. With regard to the issue of confidentiality of information that is not publicly available, supervisory authorities will not disclose aggregated data which would allow identification of data relating to a single undertaking. If data is not being disclosed, on account of confidentiality issues, the supervisory authority should explicitly indicate that the information is not complete.
- 3.43. CEIOPS intends to look into disclosing further aggregate statistical data beyond key aspects of the prudential framework in the course of its Level 3 work, in order to improve the comparability of information about national insurance markets.

CEIOPS' advice

3.44. Aggregate statistical data on the key aspects of the application of the prudential framework to be disclosed cover quantitative general information on the national insurance sectors about aspects that are subject to prudential requirements as well as important supervisory activities with regard to the supervisory review process. The 'key aspects' comprise part of the information about supervised undertakings that was reported to the supervisory authority or represents the outcome of supervisory assessments, as well as information on important aspects of prudential supervision, i.e. information about the activities of the supervisory authorities themselves.

3.3.4. Options

- 3.45. Article 31(2)(d) of the Level 1 text requires the supervisory disclosure of the manner in which options provided for in the Directive have been exercised.
- 3.46. CEIOPS understands 'option' to refer to a situation in which Member States or supervisory authorities are given a choice on how to comply with a given provision, selecting from a range of alternatives set forth in the Directive.
- 3.47. As Solvency II aims at promoting convergence of supervisory practices the number of the remaining options in the Level 1 text is rather limited. For this part of the disclosure CEIOPS envisages the use of a common template across Member States that leaves no room for divergence on a

national level. This template would be based on the one published in Annex 2.

3.3.5. Objectives, functions and activities

Explanatory text

- 3.48. Article 31(2)(e) of the Level 1 text requires the disclosure of the objectives of supervision, its main functions and activities.
- 3.49. 'Objectives' refer to the aims of insurance supervision. Apart from objectives explicitly stated in national laws CEIOPS understands them to include objectives the supervisory authorities set themselves in the exercise of their supervisory tasks. The 'main functions' cover the scope of duties of the national supervisory authorities, whereas 'main activities' concern the key actions supervisory authorities take in order to discharge these duties.
- 3.50. This scope of (re)insurance supervision should be given in the form of narrative information, to be easily understandable by stakeholders. In order to ensure that the information given is also easily comparable between Member States, possible objectives, main functions and activities should be compiled by CEIOPS with the aim of harmonising the disclosure. National supervisory authorities would be required to use this list when describing the scope of supervision and its limitations.

CEIOPS' advice

3.51. Information about objectives, main functions and activities of supervision comprises information about the legally defined aims of (re)insurance supervision and the objectives the supervisory authorities set themselves in the exercise of their supervisory tasks. It also covers the scope of duties of the national supervisory authorities and the key actions supervisory authorities take in order to discharge these duties.

3.3.6. Publication dates

Explanatory text

- 3.52. The information to be disclosed according to Article 31(2)(a), (b), (d) and (e) should first be made available to stakeholders by the transposition deadline of the Solvency II framework (Article 309 of the Level 1 text).

- 3.53. In order to keep the disclosure framework up to date, supervisory authorities shall update their disclosures in a timely manner after changes have been introduced.
- 3.54. What is to be considered timely depends on the kind of disclosure and the language(s) of publication. Insofar as they are being made in the official language(s) of a Member State disclosures under Article 31(2)(a) should be simultaneous to new regulation etc. entering into force. Information disclosed according to Article 31(2)(b) and (e) should be updated regularly, as necessary. If the way options have been exercised is changed, updated information should be provided at the same time the change becomes effective. Additional time must be granted to provide a professional and thus reliable translation into English. These translations should be made available on a best effort basis⁸.
- 3.55. Disclosures under Article 31(2)(c) should be updated by 31 July⁹ of the following calendar year¹⁰, insofar as aggregate statistical data on the supervised undertakings is concerned, to allow sufficient time for data processing and aggregation of the previous year's data after the information has been submitted by undertakings. With regard to information about the supervisory authorities themselves this should be made available within four months of the close of the calendar year.

CEIOPS' advice

- 3.56. Information to be disclosed according to Article 31(2)(a), (b), (d) and (e) shall be made available via the website of the supervisory authority by the transposition deadline of the Solvency II framework according to Article 309 of the Level 1 text.
- 3.57. The information shall be updated regularly, where necessary. Where legal changes are concerned, updated information in the official language(s) shall be provided simultaneously to the changes becoming effective.
- 3.58. Aggregate annual statistical data on the supervised undertakings under Article 31(2)(c) shall be made available three months after the submission date for the reporting from (re)insurance undertakings to supervisor authorities. Information on the supervisory authorities shall be made available within four months of the close of the calendar year, starting 2013.

⁸ Member States can provide that only the version in the official language(s) is/are relevant and include a disclaimer to this effect.

⁹ CEIOPS envisages a high degree of harmonisation with regard to deadlines for reporting to supervisors.

¹⁰ First year data, post Solvency II implementation, may be incomplete due to differing reporting timeframes of undertakings.

Annex 1: Aggregate statistical data

Part A: Data on supervised undertakings

Data with regard to solo undertakings

1. Total number of (re)insurers supervised;

Number of supervised undertakings divided into life, non-life, (health), reinsurance, composite. Additional information could be how many of these are third country undertakings and subsidiaries of non-national insurance undertakings. The number would not include non-national subsidiaries of national (re)insurance undertakings as these are supervised elsewhere, or national branches as this would be double counting. The number could include the branches of national (re)insurance undertakings within the EU/EEA as these are mainly supervised nationally, but not branches outside the EU/EEA as this would be incorporated under the law of a different jurisdiction and supervised there;

2. Number of (re)insurers in run-off;
3. Number of (re)insurers excluded from the scope of Solvency II;
4. Number of (re)insurers using an approved full or partial internal model (the latter divided by area of application);
5. Total assets of (re)insurers; by asset class and life, non-life and composite undertakings (and health where applicable);
6. Total liabilities of (re)insurers (excluding own funds); divided between technical provisions and other liabilities and by life, non-life and composite undertakings (and health where applicable);
7. Composition of SCR by risks and sub-risks (at the level of aggregation available having in mind that internal models may not follow the same risk aggregation as the standard formula);
8. Coverage MCR ratio by life, non-life and composite undertakings (and health where applicable);
9. Coverage SCR ratio by life, non-life and composite undertakings (and health where applicable); and
10. Quality of own funds; division into tiers and distinction between basic and ancillary; divided by life, non-life, reinsurance (and health where applicable);
11. The distribution of capital add-ons, measured as a percentage of the Solvency Capital Requirement, covering all insurance and reinsurance undertakings.

Data with regard to groups

12. Number of national insurance sub-groups where the group supervisor is another EEA supervisory authority, with number of life, non-life and composite undertakings (and health if applicable) included;
13. Number of national groups where the supervisory authority is the group supervisor, with number of life, non-life and composite undertakings (and health if applicable) included;
14. Number of cross-border insurance sub-groups where the supervisory authority is not the overall group supervisor but the group supervisor is located inside the EEA including number of subsidiaries divided between EEA and non-EEA subsidiaries with number of life, non-life and composite undertakings (and health if applicable) included;
15. Number of cross-border insurance sub-groups where the head of the group is located outside the EEA, including number of subsidiaries divided between EEA and non-EEA subsidiaries with number of life, non-life and composite undertakings (and health if applicable) included;
16. Number of cross-border groups where the national supervisory authority is the overall group supervisor, including number of subsidiaries divided between EEA and non-EEA subsidiaries with number of life, non-life and composite undertakings (and health if applicable) included;
17. Coverage SCR (aggregated) ratio for the national and cross-border insurance groups identified in (12) and (16);
18. Quality of own funds covering the group SCR; division into tiers and distinction between basic and ancillary own funds; and
19. Number of national groups using an approved internal model for the calculation of the group SCR.

Part B: Data on the supervisory authority¹¹

1. Number of on-site inspections undertaken¹² divided by wide scale regular inspections, selective inspections, ad hoc¹³ inspections, inspections mandated to third parties and joint inspections under group supervision (to be reported by the group supervisor);

¹¹ CEIOPS does not envisage the disclosure of further information on capital add-ons by supervisory authorities, as such disclosure will already be provided by CEIOPS according to Article 51(2).

¹² Examination with a view to assessing the current and future solvency, the adequacy of internal governance (including risk management and internal control systems); determining that information provided by undertakings is reliable; obtaining additional information needed to assess the condition of the undertaking. Meetings at the supervisory authority and supervisory visits not resulting in written feedback on findings to the undertaking concerned are not regarded as on-site inspections.

¹³ An ad hoc inspection is arranged at short notice on account of the supervisor becoming aware of a situation that strongly calls for some fact finding on site.

2. Number of meetings with undertakings and supervisory visits;
3. Number of SRP¹⁴ performed in accordance with Issues Paper 'Supervisory Review Process and Undertakings' Reporting Requirements¹⁵ (solo and groups separately);
4. Number of reviews of ongoing compliance of full or partial internal models with requirements in relation to number of internal models in use (solo and groups separately);
5. Number of (partial/full) internal models approved and rejected (solo and groups separately);
6. Number of corrective measures taken by type of measure (as in Articles 117, 137, 138, 139);
7. Number of licenses withdrawn by the supervisory authority (as a corrective measure);
8. Number of licenses cancelled by undertakings' initiative;
9. Number of licenses given (new entities),
10. Number of extensions granted according to Article 138(4), if any, and their range and average duration; and
11. Number of College meetings organised (to be reported by the group supervisor).

¹⁴ "SRP" in this case is to be interpreted as the "detailed" SRP as defined in CEIOPS-IGSRR-18/08. The convergence of the disclosure in relation to this is subject to further analysis in the future discussions on the SRP on Level 3.

¹⁵ CEIOPS-IGSRR-18/08, 15 August 2008, see http://www.ceiops.eu/media/docman/public_files/consultations/CEIOPS-IGSRR-18-08%20Issues%20Paper%20on%20SRP%20and%20Reporting-final.pdf .

Annex 2: Example of a common format for Disclosure of Options provided for in the Directive (= based on CEIOPS' ConCo template for Reinsurance Directive)

Directive	Title of Article	Application option YES / NO	National text L / R / A (text of law, regulation, administrative rule or supplemented with general guidance)	Reference	English
Article 51(2)	Report on solvency and financial condition; contents				
Article 207	Compulsory insurance against accident at work				
Article 304	Duration based equity risk sub-module				
Article					