



EIOPA-15/772

8th October 2015

Update on EIOPA's Action Plan 2016 and Way Forward for Colleges of Supervisors

1. Introduction

- 1.1. Since 2013 EIOPA sets out a multi-annual Action Plan for Colleges of Supervisors.
- 1.2. The EIOPA Board of Supervisors adopted the Action Plan 2015/2016 for Colleges of Supervisors in October 2014. The focus of the Action Plan 2015/2016 is the implementation of Solvency II in 2016 and the major changes for supervision under the new regulation. Two amendments to the approved Action Plan 2016 were decided taking into account recent priorities and needs.
- 1.3. A two-fold approach for setting the themes for colleges in 2017 was decided.

2. Proposed Action Plan 2016 update

- 2.1. Theme III. "Discussion of plans for/extent of sub-group supervision at national level or EEA regional cross-border level" has been brought forward to the year 2015. The potential need for supervisors to provide clarity to the industry and decide earlier on the application of sub-group supervision was already recognized last year when colleges were invited to consider completing this theme already in 2015.
- 2.2. In context of theme I referring to the review of the appropriate quality and adequate set of data/information needed under the new Solvency II reporting system colleges are invited to discuss how EIOPA could facilitate effective, efficient and secure information usage and sharing within colleges. The input received could be used for developing an approach jointly by EIOPA and the NSAs for analytical and technical support for information sharing in colleges. This would be part of the wider initiative to further elaborate on the possible use of the "European database" for additional reports, analytics and indicators to be used at the national level.

3. Themes for Colleges 2017

3.1. Themes for colleges 2017 will be set following a two-fold approach:

- Supervisory themes for colleges as an integral part of a broader initiative resulting from the EIOPA annual work programme with the objective to support consistent and high quality supervision across the EEA. These supervisory themes will be translated into specific actions for colleges.
- Specific themes to promote and enhance the colleges work and support the functioning of colleges. These topics will be collected from college members including group and host supervisors and EIOPA.

3.2. With this approach it is ensured that the themes cover the specific needs of the college work but are also fully integrated into EIOPA's work programme.

Updated Action Plan 2016

Theme I.: What is the appropriate quality and adequate set of data/information for the college to form a shared view on the risks of the group and its major solo entities?

To comply with by 31 October 2016

The college discusses the quality and consistency of the data/information reported by the group and solo entities under the Solvency II regulatory framework and agrees on a data set to be exchanged and used for the college shared view on the risks based on the implementing technical standards on information exchange within colleges of supervisors.

In this context the college reviews the appropriateness of the thresholds for significant risk concentration and intragroup transactions.

In addition, colleges are invited to discuss on how EIOPA could facilitate effective, efficient and secure information exchange in colleges under the new Solvency II reporting system. The objective of this task is to enhance quality and efficiency of the work within the over 90 EEA colleges by facilitating exchange of data and information and developing an analytical approach based on Article 357 of the Commission Delegated Regulation and the Guidelines for exchange of information on a systematic basis within colleges, but also ad-hoc for specific events and emergency situations. The input received from colleges will be part of a wider initiative to further elaborate on the possible use of the "European database" for reports and analytics, from which national competent authorities can benefit.

Theme II: Improve the transparency of the college work

To comply with by 31 December 2016

The group supervisor consults the college on the information to be communicated to the group in relation to the background, the objectives of the college meeting, the shared view of the risks, and on the constructive feedback on the group management performance at the college meeting.

Theme III: Are there any plans for sub-group supervision?

This theme was brought forward to 2015

The potential need to bring this theme forward was already envisaged last year when colleges were invited to implement the theme already before 2016.

Only relevant for colleges with group structures including sub-groups at national or EEA-cross border level. The aim is to ensure consistency of the implementation of Union law and a level playing field across Europe. With an explicit reference to the specificities and the risk profile of the sub-group discuss any plans and explain the need for/extent of sub-group supervision at national level or EEA cross-border level based on Articles 215, 216 and 217 of the Solvency II Directive, the criteria included in the Delegated Acts and in the EIOPA Guidelines on Solvency II relating to Pillar 1 requirements.

If applicable, discuss the feedback to the group and the solo entities.

Theme IV: Are ORSA and group solvency calculations appropriate and consistent across the group?

To comply with by 31 December 2016

Share and discuss the supervisors' views regarding the structure, quality and consistency of the ORSA approach across the group under the final Solvency II regulatory framework and consult on the feedback to the group and, where appropriate, solo entities.

In case the final Solvency II - based ORSA report is not available early enough to comply with the above deadline the **"forward looking assessment of own risks"** reports under the preparatory guidelines can be used.

Review the progress and consistency of the implementation of the solvency calculation (including technical provisions, own funds and the solvency capital requirement) based on the final Solvency II framework and enhance the dialogue with the group, and, where appropriate with solo entities. Where the solvency capital requirement (SCR) is calculated using the standard formula, the college considers the supervisors' assessment of the appropriateness of the standard formula for group and solo solvency purposes and the actions that are appropriate based on the assessment.

Theme V.: Agree on a procedure for reviewing that the full or partial internal model is still appropriate for group and solo solvency calculation purposes in the light of developments within the group entities or external environment

To comply with by 31 December 2016 by colleges with approved full or partial internal model

This theme is relevant for colleges where, based on Article 231 of the Solvency II Directive, a full or partial internal model was approved to calculate the consolidated group SCR as well as the solo SCR of insurance or reinsurance entities in the group. Article 36 (2) of the Solvency II Directive requires the review of the compliance of the full or partial internal model with the internal model specific provisions and guidelines of the Solvency II framework.

The college discusses whether there are indications that the supervisors need to review the on-going appropriateness and compliance of the full and partial internal

model, such as where the group has recalculated the group solvency calculation under Article 219(2) of the Solvency II Directive.

In this context colleges may need to also assess major model changes.

Updated Action Plan 2016 at a glance:



5 Solvency II related themes as priorities and consistent basis for the college work

