



EIOPA-13/424  
7 October 2013

## **EIOPA's Action Plan 2014/2015 for Colleges**

### **Background**

The EIOPA Board of Supervisors adopted the Action Plan for Colleges for the period of two years, 2014 and 2015. The two-year approach aims to support NSAs in planning their tasks and resources needed for the supervision of cross-border operating groups in a most effective and forward-looking manner. The Action Plan 2014/2015 for Colleges focuses on the further development of a consistent risk-based supervision. For the following two years the targets for colleges are to align their work to the requirements of the guidelines on preparing for Solvency II published on 27 September 2013 and step-by-step to the final Solvency II regulatory framework.

### **Action Plan 2014**

#### **I. Exchange/discuss qualitative and quantitative information and data regularly**

On-going task from Action Plan 2012.

As part of the Action Plan 2012 colleges were to agree on a set of information and data to be exchanged in colleges and to start the process of systematic information sharing in the college. Regularly sharing of quantitative and qualitative information is crucial for a shared view of risks at group and entity level in the college. The objective for 2014 is to continue and enhance the regular information exchange. Proportionality aspects may be considered.

#### **II. Discuss and agree on the implications of the Guidelines on preparing for Solvency II (preparatory guidelines) and update the college work plan and the internal model pre-application work plan accordingly.**

To be complied with by 31 March 2014.

The preparatory guidelines cover the areas of:

- System of Governance (EIOPA/13/413) - Governance
- Forward Looking Assessment of Own Risks (EIOPA/13/414) - FLAOR
- Submission of Information to National Competent Authorities (EIOPA/13/415) - Reporting

- Pre-application for internal models (EIOPA/13/416) - Internal model pre-application

By the end of the fourth quarter 2013 National Competent Authorities (NCAs) have determined how to comply with EIOPA Guidelines by incorporating them into their regulatory and supervisory framework. The task for colleges in 2014 is to consider the consequences of the implementation of the preparatory guidelines on their work. The consequences of the implementation of the preparatory guidelines are to take into account that some NSAs intend or not to comply with the guidelines. The college work plan and, if applicable, the internal model pre-application work plan for 2014 and 2015 are to be updated accordingly.

### **III. Form a shared view on the risks of the group and its major solo entities (Follow up Action Plan 2013 task I.2.).**

To be complied with by 1 July 2014.

The task for the college is to form a shared view on the risks at the level of the group and the major solo entities based on the structured analytical approach agreed as part of the Action Plan 2013. Proportionality aspects may be considered.

### **IV. Review status of coordination arrangement/emergency plan in all colleges. Agree on actions/amendments, if necessary.**

To be complied with by 31 December 2014.

As part of previous years' action plans an emergency plan is already in place for almost all colleges. In addition, the majority of colleges discussed the possibility of concluding an arrangement for systematic cooperation in the college for the preparatory period leading up to Solvency II. A few colleges already approved a coordination arrangement and others agreed to base their cooperation on a preliminary version without having it formally approved yet. The task is to review the status and agree if actions or amendments to the current wording are needed to conclude a coordination arrangement at the latest by the day Solvency II enters into force. Proportionality aspects may be considered.

### **V. Discuss and review progress and consistency of the implementation of preparatory guidelines by the group. If needed, agree on feedback towards the group and, where appropriate, solo entities.**

To be complied with by 31 December 2014.

The task is to discuss and review the progress and consistency regarding content and quality of the implementation of the various preparatory guidelines (governance, FLAOR, reporting and internal model pre-application) by the group including e.g. how the consolidation and risk aggregation of solo entities has been conducted. If needed, agree on the feedback towards the group and, where appropriate, solo entities.

## Action Plan 2014 at a glance:



### I. On-going tasks from previous years' action plans

**Point I.** Exchange/discuss qualitative & quantitative information & data regularly (Basis AP 2012)

### II. – V. Specific Tasks

March 2014



**Point II.**

Discuss and agree on the implications of the preparatory GLs and update the college/IM work plan accordingly.

July 2014



**Point III.**

Form a shared view on the risks of the group and its major solo entities (Follow up AP 2013 task I.2.).

Year end 2014



**Point IV.**

Review status of coordination arrangement/emergency plan in all colleges. Agree on actions/amendments, if necessary.

**Point V.**

Discuss and review progress & consistency of the implementation of preparatory guidelines by the group. If needed, agree on feedback towards the group and, where appropriate, solo entities.

## **Action Plan 2015**

### **I. 1. Exchange/discuss qualitative and quantitative information/data regularly**

On-going task from Action Plan 2012.

### **2. Form a shared view of the risks of the group and its major solo entities**

On-going task from Action Plan 2013.

### **II. Agree on process/timeframe for final internal model approval and joint-decision of all NCAs concerned. Update internal model work plan.**

To be complied with by 31 July 2015.

The task is to agree on the process and the timeframe for final approval of the internal model including the interim steps for the joint-decision in the college, in particular taking into account the internal governance and compliance procedures of the NCAs concerned and the timelines needed in the authorities for approval.

### **III. Agree on final wording of coordination arrangement/emergency plan based on EIOPA templates. Agree on timeframe and initiate the procedure for approval by year-end 2015.**

To be complied with by 31 October 2015.

The task is to finalise the coordination arrangement and emergency plan based on the final Solvency II regulatory framework, the final Guidelines on the Functioning of Colleges and the templates for the Coordination Arrangement and Emergency Plan with the aim to have it concluded by all college members and participants for day one implementation on 1 January 2016. The internal governance and compliance procedures of the various NCAs concerned and the timelines needed in the authorities for approval have to be considered in line with the process outlined in Article 248 of the Solvency II Directive.

### **IV. Discuss/review results of preparatory reporting of the group**

To be complied with by 31 October 2015.

The task is to discuss and review the results of the preparatory reporting, i.e. the scope and quality of reporting and the consistency across the group including how the solo entities have been consolidated in the group reporting. The aim is to discuss if the quality and the consistency of the new reporting is sufficient to meet the requirements and if further improvements are needed.

### **V. Discuss and review readiness for implementation of final Solvency II regulation and enhance the dialogue with the group and, where appropriate, with solo undertakings to close the gaps.**

To be complied with by 31 October 2015.

The task is to discuss and review the readiness of the group for the implementation of the final Solvency II framework, including how solo entities

will be integrated in for example the group solvency calculation, ORSA, and full Solvency II reporting. This task includes to identify gaps and to enhance the dialogue with the group and, where appropriate, with solo undertakings to close the gaps. Colleges may revisit the 'Colleges to do list' to ensure decisions needed are taken by the undertaking before final implementation of Solvency II.

**VI. Agree on college work plan/internal model work plan for 2016 after implementation of final Solvency II regulation.**

To be complied with by 31 December 2015.

For the benefit of an early planning and allocation of capacities within NSAs this action point has been scheduled to the 4<sup>th</sup> quarter 2015, the period before final Solvency II regulation is in place (1<sup>st</sup> quarter 2016). The task is to update the college and the internal model work plan to reflect all the regular and one-off tasks relevant for colleges according to the provisions of the final Solvency II regulatory framework.

**Action Plan 2015 at a glance:**



**I. On-going tasks from previous years' action plans**

- Point I. 1.** Exchange/discuss qualitative & quantitative information & data regularly (Basis AP 2012)
- Point I. 2.** Form a shared view of the risks of the group and its major solo entities (Basis AP 2013)

**II.-VI. Specific Tasks – subject to review based on OMD II adoption**

