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EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Understanding public disclosure under Solvency II

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Information flows in Solvency II



“Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family.”
Kofi Annan

SFCR:
- Narrative
- Templates

- Transparency
- Market discipline



Supervisory Reporting:
- SFCR
- RSR
- Templates

- Supervisory Review Process
- Financial Stability



Founding principles of disclosure

Transparency

- Promote efficiency
- Comparable information

Market discipline

- Relevant, clear and meaningful information
- Responsibility

Benefits:

- Rewards good performance
- Easier identification of market failure
- Creates more stable financial markets
- Assists in the attainment of supervisory objectives

Aim and particularities of public disclosure

Aim to improve the ability of market participants, including policyholders or their representatives, to make informed decisions, by assessing management's ability to monitor and manage its risk exposures and allowing them to assess the solvency and financial condition of the entity

Should be relevant, accessible, meaningful, reliable and readily understandable while recognising different users

Regard to proprietary information (competitiveness) and confidentiality

- Under Public Disclosure
 - ✓ No exemptions on disclosure
 - ✓ Annual disclosure of Solvency and Financial Conditions Report (SFCR)
 - ✓ Embedded proportionality
- Under Supervisory Reporting
 - ✓ Regular Supervisory Reporting (RSR, minimum every 3 years)
 - ✓ Quantitative reporting templates (QRT, annually and quarterly)
 - ✓ Exemptions (Omnibus II)
 - ✓ Risk-based thresholds (ITS)

- **What will be disclosed?**

- ✓ Qualitative and Quantitative information on Business and performance, System of governance, Risk profile, Valuation for solvency purposes and Capital management

- **How will it be disclosed?**

- ✓ Harmonised structure
- ✓ Supplemented by harmonised templates:
 - Balance-sheet
 - Premiums, claims and expenses by line of business
 - Liabilities: Life, Health and Non-Life Technical Provisions
 - Impact of long term guarantees and transitional measures on the amount of own funds and liabilities
 - Capital adequacy: own funds, SCR and MCR
 - Scope of the group (where relevant)

- **When will information be disclosed?**
 - ✓ 20 May 2017: first disclosure for year-end 2016
 - ✓ Earlier voluntary disclosures might be expected during 2016
- **Where to look for the disclosure?**
 - Website (of the undertaking or relevant trade association)
 - Report shall remain available on that website for at least five years after the disclosure date
 - Electronic copy (if not published on a website)
 - to any person who requests, within five years of the disclosure date requests (10 working days for submission)
 - Printed copy (irrespective of publication on website)
 - to any person who requests within two years of the disclosure date (20 working days for submission)