

**CEIOPS-SEC-35/09**

**26/03/2009**

## **CEIOPS releases its first set of advice on Solvency II Level 2 Implementing Measures**

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.

Today, CEIOPS is releasing for consultation its first set of advice on Level 2 implementing measures. These drafts have been developed on the basis of the General approach on the Solvency II Directive proposal adopted by the ECOFIN Council on 2 December 2008 ("Level 1 text").

CEIOPS invites comments from stakeholders on the Consultation Papers. CEIOPS will finalise the papers for submission to the European Commission, taking into account the comments received, the lessons learned from the crisis, and the adopted Directive text. CEIOPS will make all comments available on its website, except where respondents specifically request that their comments remain confidential.

Two further sets of advice on Level 2 measures are foreseen to be released at the beginning of July 2009 and in Autumn 2009.

Following papers are subject to consultation:

### **1. CEIOPS-CP-26-09 Draft L2 Advice on TP - Methods and statistical techniques for calculating the best estimate**

This consultation paper aims at providing advice with regard to actuarial and statistical methodologies for the calculation of the best estimate as requested in Article 85 (a) of the Level 1 text.

Consultation period: 1 April – 1 June

### **2. CEIOPS-CP-27-09 Draft L2 Advice on TP - Segmentation**

This consultation paper aims at providing advice with regard to the lines of business on the basis of which insurance and reinsurance obligations are to be segmented in order to calculate technical provisions as requested in Article 85(e) of the Level 1 text.

The advice covers the minimum level of segmentation – ie. lines of business - that undertakings need to consider when calculating their technical provisions.

Consultation period: 1 April – 3 May

### **3. CEIOPS-CP-28-09 Draft L2 Advice on SCR Standard Formula -Counterparty default risk**

This consultation paper aims at providing advice with regard to the treatment of counterparty default risk in the standard formula for the Solvency Capital Requirement as requested in Article 109 of the Level 1 text.

The objective of this paper is to give draft advice on the scope of the module and the calculation of the capital requirement for counterparty default risk.

Consultation period: 1 April - 1 June

### **4. CEIOPS CP-29-09 Draft L2 Advice on Own Funds - Criteria for supervisory approval of ancillary own funds**

This consultation paper aims at providing advice with regard to supervisory approval of ancillary own funds as requested in Article 92 of Level 1 text.

The objective of the paper is to provide a framework that specifies the criteria for granting supervisory approval.

Consultation period: 1 April - 1 June

### **5. CEIOPS-CP-30-09 Draft L2 Advice on TP -Treatment of Future Premiums**

This consultation paper aims at providing advice with regard to the treatment of future premiums in the assessment of technical provisions as requested in Article 85 of the Level 1 text. The advice covers the recognition of an insurance or reinsurance obligation as well as on the boundaries of these obligations.

Consultation period: 1 April – 1 June

### **6. CEIOPS-CP-31-09 Draft L2 Advice on SCR Standard Formula - Allowance of financial mitigation techniques**

This consultation paper aims at providing advice with regard to financial mitigation techniques as requested in Article 109(1), letter f), of the Level 1 text. This advice develops the qualitative treatment of financial mitigation techniques.

Consultation period: 1 April - 1 June

## **7. CEIOPS-CP-32-09 Draft L2 Advice on TP - Assumptions about Future management actions**

This consultation paper aims at providing advice with regard to the use of management actions in the assessment of the technical provisions as requested in Article 85a of the Level 1 text.

The objective of the paper is to propose a framework which identifies the circumstances in which it is appropriate for undertakings to take account of future management actions in the calculation of their technical provisions.

Consultation period: 1 April - 1 June

## **8. CEIOPS-CP-33-09 Draft L2 Advice on System of Governance**

This Consultation Paper aims at providing advice for Level 2 measures with regard to the System of Governance as requested in Article 49 of the Level 1 text. It also includes material that could be considered for the future when developing Level 3 guidance. The text covers the most important issues to be regulated to ensure appropriate governance standards within insurance and reinsurance undertakings.

Consultation period: 1 April – 8 June

## **9. CEIOPS-CP-34-09 Draft L2 Advice on Transparency and Accountability**

This Consultation Paper aims at providing advice for Level 2 measures with regard to Transparency and Accountability, as requested in Article 30 of the 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.

Consultation period: 1 April – 8 June

## **10. CEIOPS-CP-35-09 Draft L2 Advice on Valuation of Assets and “Other Liabilities”**

This Consultation Paper aims at providing advice for Level 2 implementing measures with regard to the valuation of assets and liabilities other than technical provisions in accordance with Article 74 of the Level 1 text.

Consultation period: 1 April – 8 June

## **11. CEIOPS-CP-36-09 Draft L2 Advice on Special Purpose Vehicles**

This Consultation Paper aims at providing advice for Level 2 measures with regard to Special Purpose Vehicles (SPVs), as required in Article 209 of the Level 1 text. The advice addresses the authorisation, regulatory requirements and scope of supervisory review that relate to the establishment of SPVs under Solvency II. It also includes material that could be considered for Level 3 guidance.

Consultation period: 1 April – 8 June

## **12. CEIOPS-CP-37-09 Draft L2 Advice on the procedure to be followed for the approval of an internal model**

This Consultation Paper aims at providing advice for Level 2 implementing measures with regard to the procedure to be followed for the approval of an internal model" in accordance with Article 112(1) of the Level 1 text.

Specificities related to the approval of group internal models as set out in Article 229 of the Level 1 text will be provided as an addendum to this Consultation Paper later in 2009.

Consultation period: 1 April – 1 June

### **Consultation process**

Comments should be sent in English, using the template provided by CEIOPS, by email to [Secretariat@ceiops.eu](mailto:Secretariat@ceiops.eu), indicating the reference of the paper ("CEIOPS-CP-No-JJ").

Please note that comments submitted after the deadline or not submitted in the provided template format and in English cannot be processed.

CEIOPS will make all comments available on its website, except where respondents specifically request that their comments remain confidential.

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