
Schedule of existing publications

Summary of past publications relating to Solvency II

The following document provides a summary of some of the key publications related to Solvency II, while also looking forward to upcoming key publications. Each entry provides a short summary of the issues covered and, as we did in the DP, identifies to which functions within each firm the publication is most relevant (subject, of course, to each firm's particular organisational structure.)

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1. European Commission publications

2007/014 3 (COD) Directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance, SOLVENCY II

On 5 May 2009 the Solvency II Directive was officially adopted. This followed weeks of negotiations between the various EU Member States and representatives of the European Parliament. This publication is the final text as adopted by the European Parliament and Finance Ministers. Please note that the Articles in the Directive will be renumbered to account for changes since the proposal text. This will be reflected when the Directive is published in the Official Journal of the European Union, bearing in mind that this can be a lengthy process due to the Directive being translated into all community languages.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+20090422+SIT-03+DOC+WORD+V0//EN&language=EN>

Key stakeholders: All

2. Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) publications

Following a letter on 19th July 2007, the European Commission requested that CEIOPS provide final, fully consulted advice on Level 2 implementing measures by October 2009. Following the later than planned adoption of the Level 1 Directive, this deadline was extended to December 2009. However on the 26th March 2009, CEIOPS released its first set of consultation papers, inviting comments from all stakeholders. It is vital that if any stakeholder has material comments to make, that they make these as early as possible to allow time for CEIOPS to take these into full consideration.

Further on we have included some past CEIOPS issues papers that we feel may be of interest, even though the consultation periods for these are now closed.

Please note, in order to make it clear what CEIOPS itself considers appropriate for Level 2 implementing measures, the relevant passages in each paper (i.e. the actual advice to the commission) is contained within the 'blue boxes'. All other comments are either views on the text of the Directive (noting that for earlier papers this was based on the Framework Directive proposal), background to proposed advice on Level 2 implementing measures, or possible areas which future Level 3 guidance might cover.

2.1 CEIOPS consultation papers released 26 March 2009

Please note that the actual advice is to be found in the blue boxes, the rest of the document is either views on the text of the Directive, background to proposed advice on Level 2 implementing measures or possible areas which future Level 3 guidance might cover.

All CEIOPS consultation papers, when they become available, can be found at:
www.ceiops.eu/content/view/14/18/.

CEIOPS CP-26 Draft L2 Advice on Technical Provisions - 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP26/CEIOPS-CP-26-09-Draft-L2-Advice-on-TP-Methods-and-statistical-techniques-for-calculating-the-best-estimated.pdf

Key stakeholders: Actuaries, finance

CEIOPS CP-27 Draft L2 Advice on Technical Provisions - 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP27/CEIOPS-CP-27-09-Draft-L2-Advice-on-TP-Segmentation.pdf

Key stakeholders: Actuaries, finance, IT

CEIOPS CP-28 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP28/CEIOPS-CP-28-09-Draft-L2-Advice-on-SCR-Standard-Formula-Counterparty-default-risk.pdf

Key stakeholders: Risk management, actuaries, reinsurance

CEIOPS CP-29 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP29/CEIOPS%20CP-29-09-Draft-L2-Advice-on-Own-Funds-Criteria-for-supervisory-approval-of-AOF.pdf

Key stakeholders: Finance

CEIOPS CP-30 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP30/CEIOPS-CP-30-09-Draft-L2-Advice-on-TP-Treatment-of-Future-Premiums.pdf

Key stakeholders: Risk management, actuaries, finance

CEIOPS CP-31 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP31/CEIOPS-CP-31-09-Draft-L2-Advice-on-SCR-Standard-Formula-Allowance-of-Financial-mitigation-techniques.pdf

Key stakeholders: Reinsurance, actuaries, finance

CEIOPS CP-32 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP32/CEIOPS-CP-32-09-Draft-L2-Advice-on-TP-Assumptions-about-Future-management-actions.pdf

Key stakeholders: Risk management, actuaries, finance

CEIOPS CP-33 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP33/CEIOPS-CP-33-09-Draft-L2-Advice-on-Governance.pdf

Key stakeholders: Board / senior management, risk management, actuaries, internal audit

CEIOPS CP-34 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP34/CEIOPS-CP-34-09-Draft-Advice-on-Transparency-and-Accountability.pdf

Key stakeholders: Risk management, internal audit

CEIOPS CP-35 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP35/CEIOPS-CP-35-09-Draft-L2-Advice-on-Valuation-of-Assets-and-'Other%20Liabilities'.pdf

Key stakeholders: Finance, actuaries

CEIOPS CP-36 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP36/CEIOPS-CP-36-09-Draft-L2-Advice-on-Special-Purpose-Vehicles.pdf

Key stakeholders: Risk management, finance

CEIOPS CP-37 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

www.ceiops.eu/media/files/consultations/consultationpapers/CP37/CEIOPS-CP-37-09-Draft-L2-Advice-Procedure-approval-internal-model.pdf

Key stakeholders: Board / senior management, risk management, actuaries, finance

2.2 CEIOPS issues papers

All CEIOPS issues papers, when they become available, can be found at:

<http://www.ceiops.eu/content/view/236/154/>.

CEIOPS IP 04/11/08

Implementing measures on system of governance

This issues paper contains the first draft of CEIOPS' views concerning Level 2 implementing measures regarding system of governance, while also giving a view as to future Level 3 guidance. This paper also takes into consideration the views of stakeholders on an earlier paper, 'Risk management and other corporate issues' (see below).

Consultation period: *Closed*

http://www.ceiops.eu/media/docman/public_files/consultations/IssuesPaper-on-Governance.pdf

Key stakeholders: Board / senior management, risk management, actuaries, internal audit

CEIOPS IP 18/08/08

Supervisory review process and undertakings' reporting requirements

This issues paper contains CEIOPS initial views on the supervisory review process which is detailed in the paper under three separate sections: Details of the framework through which supervisors can assess and monitor risk to policyholders; details on the information analysis carried out by supervisors; and details on the quantitative and narrative reporting requirements that are envisaged to be reported by all undertakings under Solvency II.

Consultation period: *Closed*

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

Key stakeholders: Risk management, finance, actuaries, internal audit

CEIOPS IP 26/05/08

Own risk and solvency assessment under Solvency II framework

This issues paper explains CEIOPS' preliminary views on the definition and importance of the Own Risk and Solvency assessment (ORSA) as a management tool, the purpose of the ORSA, and some principles and guidance on the ORSA process.

Consultation period: *Closed*

http://www.ceiops.eu/media/docman/public_files/consultations/IssuesPaperORSA.pdf

Key stakeholders: Risk management, actuaries, finance

CEIOPS IP **Policy on harmonisation of contents and formats for public disclosure and supervisory reporting**

01/11/07 *This issues paper sets out CEIOPS' views on the degree of harmonisation of both contents and formats for supervisory reporting and public disclosure.*

Consultation period: ***Closed***

http://www.ceiops.eu/media/docman/public_files/consultations/CEIOPS-IGSRR-05-07%20Policy%20on%20Supervisory%20Reporting%20and%20Public%20Disclosure.pdf

Key stakeholders: Risk management, finance, internal audit

CEIOPS IP **Risk management and other corporate issues**

17/07/07 *This issues paper was produced by CEIOPS on its own initiative as part of its preparation for the Solvency II project. The paper aims to develop high-level principles and minimum qualitative requirements, which could form the basis for a risk and governance structure of undertakings. Note that the responses to this paper and further thought on the issue were then considered in the 'Implementing measures on systems of governance' issues paper referred to above.*

Consultation period: ***Closed***

http://www.ceiops.eu/media/docman/public_files/publications/otherdocuments/CEIOPS-PII-11-07onRiskManagementandOtherCorporateIssues.pdf

Key stakeholders: Board / senior management, risk management

3. FSA publications

Below is a list of all FSA publications that have a bearing on Solvency II. Please note that for further information relating to Solvency II, please go to our newly updated website at: <http://www.fsa.gov.uk/Pages/About/What/International/solvency/index.shtml>.

DP 08/4 Insurance Risk Management: The Path to Solvency II

In September 2008 we published a Discussion Paper (DP) that highlights and explains the key elements of the Solvency II regime, and identifies the actions that insurers should presently be undertaking in anticipation of the October 2012 implementation of the new regime.

www.fsa.gov.uk/pages/Library/Policy/DP/2008/08_04.shtml

Key stakeholders: All (specifically referenced in each Chapter of DP08/4)

FS 09/1 Insurance Risk Management: The Path to Solvency II – Feedback on DP08/4

In May 2009 we published our Feedback Statement (FS) to DP08/4. This document provides a summary of the comments we received and our responses to these comments. Further to this the FS provides an update to the messages in the DP in light of the Solvency II Directive as adopted (the DP was based on an earlier iteration of the Directive). Also included is a high-level timeline of known activities leading up to Solvency II implementation.

http://www.fsa.gov.uk/pubs/discussion/fs09_01.pdf

Key stakeholders: All (specifically referenced in each Chapter of DP08/4)

CP 08/24 Stress and scenario testing

In this Consultation Paper (CP) we proposed changes to our Handbook rules and guidance on stress and scenario testing. The paper proposes the introduction of 'reverse stress testing' and changes to our existing requirements on Pillar 2 capital stress and scenario testing. This will be of particular interest to firms planning to use an internal model to calculate their Solvency Capital Requirement (SCR) where stress and scenario testing may be used to consider the appropriateness of the models and the parameters used.

www.fsa.gov.uk/pubs/cp/cp08_24.pdf

Key stakeholders: Board / senior management, risk management, actuaries

QIS exercises **Quantitative Impact Studies 2, 3 and 4.**

The QIS exercises and the results of these may assist UK (re)insurers in their preparations for Solvency II. These exercises (and the upcoming QIS 5 expected to take place from June 2010) test the financial impact and suitability of proposed Directive requirements.

All the documentation relating to the QIS exercises can be found at the following location:

www.fsa.gov.uk/Pages/About/What/International/solvency/qis/index.shtml

NB. *Further information on all QIS exercises can be found through CEIOPS at:* www.ceiops.eu/content/view/118/124/

Key stakeholders: Actuaries, finance, risk management

Sector Brief **Risk and capital management update – September 2008**

The purpose of this briefing is to focus attention on some important aspects of insurers' risk and capital management in light of extreme market conditions. This includes integration of risk and capital management practices; the governance, controls and processes in place to respond to sharp changes in market conditions; valuation of illiquid assets; updating stress and scenario testing; and the effect of widening corporate bond spreads on the valuation of liabilities.

http://www.fsa.gov.uk/pubs/other/isb_risk_update.pdf

Key stakeholders: Board / senior management, risk management, finance

Sector Brief **ICAS – lessons learned and looking ahead to Solvency II – October 2007**

The purpose of this briefing is to update on ICAS progress and to look at what work needs to be done to transition to Solvency II, particularly with respect to integrating risk and capital management frameworks.

http://www.fsa.gov.uk/pubs/other/icas_isb.pdf

Key stakeholders: Board / senior management, risk management

4. Board for Actuarial Standards (BAS) publications

The Board for Actuarial Standards have published documents that have direct relevance to some aspects of Solvency II. These documents may be of use in firms' preparations for Solvency II implementation, and in particular preparation for internal model approval. We have detailed these publications below.

BAS CP Modelling

In November 2008 BAS published this consultation paper that outlines the proposals for Technical Actuarial Standards (TAS) with regard to modelling. The paper's target audience includes actuaries, the entities that actuaries advise, and the shareholders in those entities. There will be further papers issues by BAS in this area.

www.frc.org.uk/images/uploaded/documents/Modelling%20CP%20final.pdf

Key stakeholders: Actuaries, risk management

BAS CP Generic Data Standards

In September 2008 BAS published this consultation paper to outline some draft principles on data, noting that this is an important issue, particularly with regard to Solvency II. The paper discusses the responsibilities for assessing the adequacy and accuracy of the data used for actuarial work.

www.frc.org.uk/images/uploaded/documents/Data%20Condoc%20FINAL1.pdf

Key stakeholders: Actuaries, IT

5. Other publications

Although this document is not intended to be a full exhaustive list of all publications relating to Solvency II, we believe that the following papers are of enough significance to include.

CEIOPS Stock-taking report on the use of internal models in insurance

This report is the result of an exercise initiated in late 2007 by the CEIOPS Internal Models Expert Group at the request of the European Commission. The report is intended to improve supervisors understanding of current industry practices, raise industry awareness on the need to engage early with supervisory authorities well ahead of actual approval of the internal model, and to provide CEIOPS with the necessary information to prepare for it's advice to the Commission on the Level 2 implementing measures for Solvency II.

<http://www.ceiops.eu/media/files/publications/reports/Stock-taking-report-on-the-use-of-Internal-Models-in-Insurance.pdf>

Key stakeholders: Risk management, actuaries

Institute of Actuaries Actuarial Aspects of Internal Models for Solvency II

This draft paper presented to the Institute of Actuaries on 23rd February, 2009, sets out views of what good practice for the actuarial aspects of internal models will look like in 2012 when Solvency II is implemented. The paper is also relevant to firms that are not planning to use an internal model to calculate regulatory capital as the paper also addresses techniques that can be used in the Own Risk and Solvency Assessment (ORSA).

http://www.actuaries.org.uk/_data/assets/pdf_file/0009/146664/sm20090223.pdf

Key stakeholders: Actuaries, risk management

CRO Forum Benchmarking Study on Internal Models

This benchmarking study was initiated in late 2004 by the CRO Forum, which includes 13 major European insurance companies and financial conglomerates. The study is intended to provide a qualitative benchmark towards Solvency II for insurance regulators to assess internal models.

http://www.croforum.org/publications/benchmarkingstudyinternalmodels_resource/File.ecr?

Key stakeholders: Actuaries, risk management
