Finale ORSA (FLAOR) Guidelines

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Das Regelwerk

25 ORSA – Guidelines

95 Erläuterungen (explanatory text)

122 Feedback-statements zu Anmerkungen aus dem Begutachtungsverfahren
Section I: General Provisions for preparatory Guidelines

Guideline 1  General provisions for Guidelines
Guideline 2  Progress report to EIOPA
Guideline 3  Applicability of the threshold for the FLAOR

Section II: Forward Looking Assessment of Own Risks

Guideline 4  Proportionality
Guideline 5  Role of the administrative, management or supervisory body
            top-down approach
Guideline 6  Documentation
Guideline 7  Policy for the FLAOR
Guideline 8  Record of each FLAOR
Guideline 9  Internal report on the FLAOR
Guideline 10  Supervisory Report of the FLAOR
Guideline 11  Valuation and recognition of the overall solvency needs
Guideline 12  Assessment of the overall solvency needs
Guideline 13  Forward-looking perspective of the overall solvency needs
Guideline 14  Regulatory capital requirements
Guideline 15  Technical provisions
Guideline 16  Deviations from assumptions underlying the SCR-calculation
Guideline 17  Link to the strategic management process and decision-making framework
Guideline 18  Frequency

Guideline 19  Scope of group FLAOR
Guideline 20  Reporting to the supervisory authorities
Guideline 21  Assessment of the impact of group specific risks on overall solvency needs
Guideline 22  General rule for group FLAOR
Guideline 23  Specific requirements for a single FLAOR-document

Guideline 24  Internal model users
Guideline 25  Integration of related third-country insurance and re-insurance undertakings
3.12. EIOPA would like to stress that the measures set out in the Guidelines are preparatory for Solvency II.

3.14. NCAs and undertakings are expected to progress in their preparedness for Solvency II during the course of the preparatory phase.

3.21. The preparatory Guidelines in itself do not require supervisory actions, in particular regarding failures by undertakings to comply with Solvency II Pillar I requirement as a result of the information provided during the preparatory phase.

3.22. Nevertheless, the following two examples on supervisory action would be expected:

   a) It is expected that undertakings take into consideration any information arising from the implementation … in the performance of their business or future business planning.

      … the preparatory Guidelines do not require NCAs to require an increase of capital, if the received information suggests a failure with SII requirements.

   b) When NCAs receive information on the calculation of the SCR and the determination of Own Funds it is expected that NCAs review the quality of the information received and that they may take supervisory actions if the quality of the information raises concerns.

But it is not expected from the preparatory Guidelines that NCAs would take any supervisory action if the Own Funds are lower than the SCR.
3.26. ... it is anticipated that during the preparatory phase NCAs and undertakings are preparing for the implementation of all areas covered by Solvency II Directive and not only those covered by the preparatory Guidelines.

3.33. ... The aim of the Explanatory Text is to provide illustrations on how Guidelines or certain parts of them can work in practice, adding cross references, concrete applications or examples without creating new obligations that should be complied with.

3.34. In the Explanatory Text, examples of good practices are given, i.e. it shows in more detail on case by case basis examples on how proportionality can be applied ...

3.58. ... EIOPA considers it necessary that all undertakings perform the assessment of the overall solvency needs at least two times during the preparatory phase, once in 2014 and once in 2015.

3.65. EIOPA considers the record to be no less, but maybe even more important during preparation than after the start of Solvency II ... Hence, the undertaking is expected to make any effort to record the FLAOR in the appropriate way as it will be required to do under Solvency II.

3.73. ... It is not acceptable that the AMSB delegates the full responsibility for the FLAOR to committees of the AMSB or to senior management, the risk management function or another special committee.
4.25. In accordance with Article 45 of Solvency II Directive, NCA should ensure that all undertakings and groups falling under Solvency II Directive perform an assessment of their overall solvency needs, starting in 2014.

4.26. NCA should require that undertakings representing at least 80% of the market share as defined in Guideline 5 to 7 in the “Guidelines on submission of information to NCA” perform an assessment of whether the undertaking would comply on a continuous basis with the Solvency II regulatory capital requirements and the requirements on the Solvency II technical provisions starting in 2015. For that technical specifications on the calculation of the Solvency II regulatory capital requirements and on the calculation of technical provisions will be provided.

4.27. NCA should require that groups submitting annual quantitative information as defined in Guideline 9 in the “Guidelines on submission of information to NCA” perform an assessment of whether the group would comply on a continuous basis with the Solvency II regulatory capital requirements and the requirements on the Solvency II technical provisions starting in 2015. For that technical specifications on the calculation of the Solvency II regulatory capital requirements and on the calculation of technical provisions will be provided.

4.29. Where an undertaking which is not in the pre-application process for an internal model falls within the threshold referred to in the paragraph 1.26 and a group falls within the threshold referred to in paragraph 1.27, for the calculation of the Solvency II regulatory capital requirements NCA should require the undertaking or the group to perform an assessment of the significance of the deviation of its risk profile from the assumptions underlying the Solvency II Solvency Capital Requirement calculation, starting in 2015. For that technical specifications on the calculation of the Solvency II regulatory capital requirements and on the calculation of technical provisions will be provided.
4.28. NCA should allow that undertakings and groups which are in the pre-application process for an internal model make use of this model for the purpose of the assessments on regulatory capital requirements, provided that the undertakings and groups concerned also perform the assessment for preparing for the eventuality that the application to use the internal model under Solvency II would be rejected by the national competent authority.

**Reporting-Guideline 9 – Groups’ annual quantitative information submission thresholds**

4.41. In accordance with Articles 35 and 254 of the Solvency II Directive, national competent authorities should ensure that at least the participating insurance and reinsurance undertakings or insurance holding companies at the head of an insurance or reinsurance group with more than EUR 12 billion or the equivalent in the national currency of total assets in the consolidated accounting balance-sheet for the reporting period ending during 2012, submit to the group supervisor the set of annual quantitative information identified in Guideline 17.
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<thead>
<tr>
<th>Solo-VU</th>
<th>Gruppen</th>
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<tbody>
<tr>
<td>über 80%</td>
<td>&gt;12</td>
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<tr>
<td>in 80% Marktanteil</td>
<td>&lt;12 Mrd konsol. BS</td>
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**Signifikanz der Abweichung**

Start 2015

**Wäre OF > SCR ?**

Start 2015

**Eigenes Risikoprofil (overall solvency needs)**

Start 2014
4.39. In accordance with Article 45 of Solvency II Directive, NCA should ensure that

the undertaking assesses its overall solvency needs
and then expresses the overall solvency needs in quantitative terms
and complements the quantification
by a qualitative description of the material risks.

4.40. Where appropriate, NCA should ensure that the undertaking

subjects the identified material risks to a sufficiently wide range
of stress test
or scenario analyses

in order to provide an adequate basis for the assessment of the overall solvency needs.
ORSA - Guideline 12 – Assessment of the overall solvency needs

1. • Eigenes Risikoprofil ermitteln

2. • Risikoprofil quantifizieren

3. • wesentliche Risiken auch qualitativ beschreiben

4. • für wesentliche Risiken
   • ausreichende Stresstests oder Szenarioanalysen
Dazu 13 Erläuterungen …

Risikobehandlung beeinflusst das Risikoprofil

■ Einsatz risikomindernder Maßnahmen (zB Rückversicherung) berücksichtigen
■ Effektivität nachweisen
■ oder Abdeckung durch Eigenmittel sicherstellen
■ Begründung der gewählten Vorgangsweise/Maßnahmen

Auswirkung von Gruppenrisiken auf Solo-VU berücksichtigen

Ausreichende Solvabilität sicherstellen

■ Ausgangspunkt: aktuelle Situation
■ Realistischer Kapitalplan notwendig
■ unter Berücksichtigung der Geschäftsstrategie
■ Darstellung von Qualität und Volatilität der Eigenmittel (Szenarioanalyse)
Dazu 13 Erläuterungen …

Wesentliche Risiken ermitteln

■ Auch mittel- bzw. langfristige Risiken
■ Auch nicht-quantifizierbare Risiken
■ Berücksichtigen von gruppeninternen Geschäften/Risiken
■ Berücksichtigen von off-balance-sheet Risiken
■ Einbeziehen der Management-Praxis, der Prozesse und Kontrollen
■ Qualität von Daten und Prozessen berücksichtigen

Explizite adverse Szenarien ermitteln

Möglichen externen Stress ermitteln

Einheitliche Bewertung im gesamten Prozess sicherstellen

Mögliche Änderung von Management-Entscheidungen in Stress-Situationen

Wenn Basis = Standardformel → Nachweis der Angemessenheit
Daraus folgt …

Alle VU und Gruppen müssen 2014 und 2015 ein eigenes Risikoprofil erstellen
- und dabei auf eine mittel- bzw. langfristige Sicht achten
- Klassifizierung der Risiken nach Wesentlichkeit und qualitative Beschreibung

Erläuterungen nicht ignorieren
- auch wenn sie „nur“ Beispiele geben sollen, scheinen sie doch eher „befehlsartig“ formuliert

Es ist wichtig, einen Fortschritt in der Vorbereitung/Implementierung nachzuweisen

VU/Gruppen, die nicht in den Schwellenwert fallen
- Trotzdem auch SCR etc rechnen, um Erfahrung zu sammeln
- um die Qualität der Daten und Prozesse sicherzustellen
- Nachweis/Argumentation der Angemessenheit der Standardformel vorzubereiten
- um Signifikanz der Abweichungen besser darstellen zu können