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EUROPEAN INSURANCE
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SII supervisory reporting and public disclosure way forward

Workshop with Industry on 'Fitness check on supervisory reporting', Nov 2018, Brussels

EIOPA approach to reporting and disclosure

Open door to dialogue to solve implementation issues on a convergent way... and lead a future revision.

Better
Regulation



Stability of
requirements

- Reflected DR amendments and important Q&A
- Allows to reflect immediate lessons learned having “fit-for-purpose” and “proportionality” in mind
- Also allows for technical improvements in the Taxonomy

Some examples:

- o Look-through
- o Treatment of investment contracts
- o List of Rating agencies
- o Also published Explanatory Notes on Variation Analysis templates
- o Other minor improvements making the package more proportionate

- Approved and published in July
- Submitted to the COM
- COM progressing after check with translations
- Timing expected as in 2017, i.e. publication around November with application date of 31.12
- Taxonomy 2.3.0 in line with this amendments
- Also published Explanatory Notes on Variation Analysis templates

ITS amendment for end 2019?

- EIOPA approach is to have it only in case of need
- Focus should be on the 2020 review
- Under assessment: COM Delegated Regulation (EU) 2018/1221 of 1 June 2018 on requirements for securitisations and simple, transparent and standardised securitisations
- Waiting: COM draft on DR amendments on the SCR Review (first assessment being done on the basis of EIOPA Advice)

The more holistic reporting and disclosure review is suggested to focus on the following areas:

- **SFCR disclosure**: discuss the SFCR as a disclosure tool, adequacy of the content, structure and formats considering the exercise done in 2017 and follow-up in 2018;
- **QRTs**: reflect on the use of QRTs in the Supervisory Review Process and its adequacy towards specific business models such as run-off companies, captives or reinsurers;
- **Proportionality**: reflect on the adequacy and use of exemptions and limitations in Solvency II reporting.

- (for undertakings) How much detail? To whom do I write it?
- (for users) What is the better report?
- (for users) Where is the information relevant for me?
- (for regulators) Is the current framework adequate to the objective?
- (for supervisors) Is the framework being applied?

- Objective is not to reduce or increase but to **improve** – reporting and disclosure package which is fit-for-purpose
- It is important to note that a proper set of information is needed to support supervisors in implementing a proper risk-based supervisory review process and allow the adequate fulfilment of supervisor's mandate to protect European policyholders.
- In this context it is crucial that supervisors receive meaningful data in terms of granularity, coverage, frequency and within proper timelines to identify and early assess the risks the industry face, both at micro and macro levels.

- Lessons learned from the Supervisory Review Process – is all information being used, is information missing, is the level of granularity the adequate one?
- Specific business models: is the information adequate/proportionate for different business models? Reinsurance undertaking, captives, run-off companies

- Enhance data standardisation: enhance the use of mandatory codes and improve the use of close lists;
- Further use of validations to reflect the Instructions, namely regarding mandatory fields and fields to be blank in certain circumstances;

- Reflect on the use of exemptions and limitations by national supervisory authorities
- Review thresholds: are they efficient? Other tools to proportionality

- Identify and mitigate inconsistencies in the taxonomy between financial sectors and when possible re-use existing databases to avoid duplications of reporting, e.g. assess the possible use of EMIR data for supervisory purposes
- Frequency and use of RSR

- Revision of the Governance of Taxonomy
- Timings to be reviewed to avoid overlap of PWD consultation with submission deadlines
- How technology could be used to improve and streamline the reporting process
- Remove duplications and overlaps

SII 2020 review already kicked off



- ✓ Public event - first exchange of views on possible areas to improve SII reporting and public disclosure requirements;
- ✓ Formal Call for input (December 2018 – January 2019)
- ✓ Public consultation during 2019
- ✓ Report end Q1-2020



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Thank you
