



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem



## Solvency II – EIOPA interim measures

20<sup>th</sup> February 2012

Gareth Colgan



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

### Agenda

- EIOPA interim measures
- Process to date – Opinion
- Opinion
- Likely process in 2013 - Guidelines
- Probable Guideline content
- CBI approach




Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Caveat

- Only Opinion published to date
- All work in progress
- Nothing agreed to date

---



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## EIOPA interim measures

- Full implementation of Solvency II will be delayed beyond 1/1/2014
- Aspects are to be implemented early
- EIOPA initiative using its powers
- Opinion published
  - Guidelines to follow

---




Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Opinion – process to date

- Omnibus II not agreed
  - Implementation date in jeopardy
  - Strongly worded letter from EIOPA Chairman
  - Barnier reply
- EIOPA legal opinion
  - Supported by Commission
- Co-ordinated approach
  - Fear of splintered approach via different national initiatives

---



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Opinion

- Background, context and criticism of Solvency I
- Introduction of some Solvency II elements
  - System of governance
  - Risk management systems
  - Forward looking assessment
  - Internal models
  - Reporting
- Guidelines
  - “Comply or explain” procedure for supervisors

---




Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## 2013 process

- EIOPA draft guidelines
  - Existing sub-groups with specific relevant expertise
  - Management Board steering
  - Board of supervisors approval (March 2013?)
- Public consultation
- Potential changes to guidelines
  - Approved by Board of Supervisors (September 2013?)
- Translation and publication

---




Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Probable guideline content

- System of governance etc.
  - 4 key functions
  - Prudent person principle
  - Key policies
- Reporting
  - Scope, frequency and content
  - Quantitative and narrative

---



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Probable guideline content- continued

- ORSA-like process
  - Policy
  - Overall solvency needs
  - Link to strategic management and decision-making framework
  - Reporting – internal and supervisory
- Internal models
  - Detailed guidelines
  - Based on original CEIOPS guidelines
  - No significant new requirements
  - 1/1/2014 not a critical milestone

---



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

---

## Central Bank approach

- Legal basis for national implementation
  - Investigation appropriate mechanisms
- Analyse draft guidelines in depth
  - Amend the supervisory review process work already completed
- Introduce modifications to PRISM engagement model
  - 2014
  - 2015

---

10

