



EIOPA-BoS-14/146

31 October 2014

**Final Report
on Public Consultation No.
14/010
on Guidelines on operational
functioning of colleges**

Table of Contents

1. Executive summary 3

2. Feedback Statement 5

Annex I: Impact Assessment and cost benefit analysis10

Annex II: Resolution of comments21

Annex III: Draft Guidelines89

1. Executive summary

Reasons for publication

According to Article 16 of Regulation (EU) No 1094/2010 (EIOPA Regulation) EIOPA may issue guidelines addressed to National Competent Authorities (NCAs) or financial institutions.

According to Article 16 of the EIOPA Regulation, EIOPA shall, where appropriate, conduct open public consultations and analyse the potential costs and benefits. In addition, EIOPA shall request the opinion of the Insurance and Reinsurance Stakeholder Group (IRSG) referred to in Article 37 of the EIOPA Regulation.

According to Article 248 (6) of Directive 2009/138/EC¹ (Solvency II Directive) EIOPA shall develop draft guidelines for the operational functioning of colleges of supervisors in order to assess the level of convergence between them.

As a result of the above, on 2 April 2014 EIOPA launched a Public Consultation on the draft guidelines on the operational functioning of colleges. The Consultation Paper is also published on EIOPA's website².

These guidelines were issued to NCAs to:

- Specify responsibilities of college members and participants;
- Clarify and enhance the cooperation between national supervisory authorities for cross-border groups;
- Enhance information-sharing among national supervisory authorities and communication to the group;
- Enhance the single market level playing field by ensuring a consistent approach among colleges.

Content

This Final Report includes the feedback statement to the consultation paper (EIOPA-CP-14/010) and the full package of the Public Consultation, including:

Annex I: Impact Assessment and cost and benefit analysis.

Annex II: Resolution of comments.

Annex III: Draft Guideline.

¹ OJ L 335, 17.12.2009, p. 1–155

² <https://eiopa.europa.eu/consultations/consultation-papers/2014-closed-consultations/april-2014/consultation-paper-on-the-guidelines-on-the-operational-functioning-of-colleges-of-supervisors/index.html>

Next steps

In accordance with Article 16 of the EIOPA Regulation, within 2 months of the issuance of these guidelines, each competent authority shall confirm if it complies or intends to comply with these guidelines. In the event that a competent authority does not comply or does not intend to comply, it shall inform EIOPA, stating the reasons for non-compliance.

EIOPA will publish the fact that a competent authority does not comply or does not intend to comply with these guidelines. The reasons for non-compliance may also be decided on a case-by-case basis to be published by EIOPA. The competent authority will receive advanced notice of such publication.

EIOPA will in its annual report inform the European Parliament, the Council and the European Commission of the guidelines issued, stating which competent authority has not complied with them, and outlining how EIOPA intends to ensure that concerned competent authorities follow its guidelines in the future.

2. Feedback Statement

Introduction

EIOPA would like to thank the Insurance and Reinsurance Stakeholder Group (IRSG) and all the participants to the Public Consultation for their comments on the draft guidelines. The responses received have provided important guidance to EIOPA in preparing a final version of these guidelines. All of the comments made were given careful consideration by EIOPA. A summary of the main comments received and EIOPA's response to them can be found in the sections below; a full list of all the comments provided and EIOPA's responses to them can be found in Annex II.

General comments

The general comments are supportive as regards the usefulness of the Guidelines on the operational functioning of colleges. The role of these guidelines in ensuring convergence and clarity in the functioning of colleges was underlined. Stakeholders also expressed support for the idea of specialised teams. The need for flexibility and proportionality was underlined in a number of comments.

Stakeholders also proposed a greater involvement of the group in the preparation and conduct of college meetings. A number of comments referred to the need to clarify certain issues, such as the distinction between members and participants or the relation between the college work plan and the supervisory plan. Several stakeholders also expressed concerns about the establishment of colleges at sub-group level. Some stakeholders also proposed to cover in these guidelines additional topics which were considered out of scope by EIOPA.

Key topics raised during the public consultation were described in the section "Specific comments on the Guidelines and Impact Assessment". In addition, all comments received were given careful consideration by EIOPA in Annex II.

General nature of the participants to the Public Consultation

EIOPA received comments from the Insurance and Reinsurance Stakeholder Group (IRSG) and eight responses from other stakeholders to the public consultation. All the comments received have been published on EIOPA's website.

Respondents can be classified into three main categories: European trade, insurance, or actuarial associations; national insurance or actuarial associations; and other parties such as consultants and lawyers.

IRSG opinion

Particular comments on the draft Guideline provided by the IRSG can be consulted under the following link:

<https://eiopa.europa.eu/about-eiopa/organisation/stakeholder-groups/sgs-opinion-feedback/index.html>

Specific comments on the Guidelines and Impact Assessment

The following is a summary of the key topics raised during the public consultation and EIOPA's consideration of these issues:

- **Legal basis for the guidelines**

Stakeholders raised that, pursuant to Article 248(6) of the Solvency II Directive, EIOPA should issue guidelines on operational functioning of colleges "on the basis of comprehensive reviews of their work in order to assess the level of convergence between them" and therefore information whether such a review has been carried out should be mentioned in the Introduction.

EIOPA explained in the Introduction that these reviews had been carried out through EIOPA's action plans for colleges, college reports and peer reviews.

- **The role of the groups in the functioning of colleges, including preparation and conduct of college meetings**

Stakeholders commented that the guidelines should place more emphasis on communication of the college with the group and that this communication should be based on partnership between the group and the college. According to stakeholders, the insurance group should be informed on a regular basis about the outcome of the college meeting. Stakeholders also underlined that the guidelines should recognise a best practice as regards participation of the group representatives in selected parts of the college meetings. Additionally, stakeholders commented that the group should be provided with the draft agenda of the college meetings. Some stakeholders commented that the group should be able to provide comments on the content of the agenda whereas others claimed that providing the agenda would enable the group representatives to prepare for this part of the college meeting in which they participate.

EIOPA pointed out that GL 15 and its explanatory text already refer to communication with the group and representatives of the group, as well as organisation of meetings between the college and the group representatives and follow-up to those meetings. In addition, GL 25 addresses the need to provide the undertakings concerned with information about the sharing and delegation of tasks. Furthermore, GL 15 was amended in order to provide a greater flexibility as regards the representation of the group during the meetings.

Eventually, GL 15 was amended to request the group supervisor to provide the group with the draft agenda in advance of the meeting, where relevant.

- **The distinction between members and participants**

A number of comments received suggested that the distinction between members and participants of the college was not clear and that therefore a definition of 'participants' should be provided. However, other stakeholders argued that such a distinction was not necessary and should be removed.

EIOPA provided definitions of 'members' and 'participants' in the Introduction of the guidelines and in the coordination arrangements template, with reference to the relevant provisions of the Solvency II Directive. In response to these comments, EIOPA explained that the distinction between members and participants was based on the provisions of Article 248 of the Solvency II Directive, according to which involvement of participants is limited to achieving the objective of efficient exchange of information. EIOPA also pointed out that this distinction is further explained in paragraph 6 of the coordination arrangements template. All members of the college of supervisors, except EIOPA, vote when required. Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor.

- **Communication with the group and individual undertakings**

Comments were raised with regard to communication with the group and individual undertakings that are part of the group. Stakeholders commented that the guidelines should provide clear lines of communication.

In order to address this issue, the first two paragraphs of GL 15 were redrafted. In the revised version of the guideline, the first paragraph provides a general rule of communication, according to which the group supervisor is responsible for the communication with the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company, whereas the other members and participants should be responsible for the communication with individual undertakings. GL 15 also clarifies that in the situation described in the first paragraph of Article 251 of the Solvency II Directive, the supervisory authority of the Member State in which a parent undertaking has its head-office should be responsible for the communication with that undertaking. In the second paragraph of the guideline, the need to coordinate information requests has been highlighted, in order to avoid duplication.

- **College work plan**

In order to increase the involvement of groups in the operational functioning of colleges, Stakeholders expressed the view that the college work plan should be made available to the group. Stakeholders also requested that the college work plan and the supervisory plans should be kept aligned, and that the group work plan should not undermine the need for individual supervisory plans.

EIOPA disagreed with the proposal to provide the group with the college work plan and explained it is a supervisory document, meant for, and developed by the group supervisor with the support of the college and that the group will be asked for input if needed. In addition, the relation between the college work plan, the group supervisory plan and individual supervisory plans is now clearly explained in GL 12 and its explanatory text, as well as in paragraph 8.2 of the coordination arrangements template.

- **Colleges at the sub-group level**

Stakeholders raised concerns as regards the reference to college meetings for sub-group, since in their view, sharing and delegation of tasks amongst

supervisors through specialised teams would be more efficient than the approach based on formalised sub-group colleges. Stakeholders also sought clarification on the distinction between sub-group supervision, sub-colleges and specialised teams.

In order to avoid misunderstanding, EIOPA removed the reference to college meetings for sub-groups in the explanatory text to GL 22. In addition, the explanatory text to GL 9 explicitly states that specialised team may be devoted to regional matters.

- **Scope of the guidelines**

Stakeholders expressed the view that the guidelines should also refer to other topics, which are not covered by guidelines at present, e.g. colleges for cross-sectoral groups, such as financial conglomerates; cooperation with group supervisors from third-countries with equivalent prudential regime for the supervision of groups; interaction of colleges with Crisis Management Groups (CMGs) and Cross-Border Stability Groups (CBSGs).

EIOPA pointed out that those issues are beyond the scope of these guidelines which refer to the operational functioning of colleges established for the purpose of coordinating the supervision of EEA insurance groups, as provided for in the Solvency II Directive.

- **Guarantees for confidentiality and professional secrecy**

Stakeholders commented that GL 5 may lead to frequent changes of confidentiality assessment and could undermine the engagement of third-country supervisors in the college, as it referred to “any confidentiality or professional secrecy issue regarding a third-country supervisory authority previously considered to have an equivalent professional secrecy regime”.

EIOPA clarified the wording of GL 5 requesting members and participants to inform each other about issues “which may have a negative impact on the assessment of a third-country supervisory authority’s professional secrecy regime”.

The confidentiality of information exchanged within colleges was also raised by a number of stakeholders with regard to other issues. Stakeholders requested that confidentiality safeguards and mechanisms should be more precisely laid out in the guidelines. It was also suggested that EIOPA describes its experience as regards the application of confidentiality and professional secrecy rules by third-country supervisors.

EIOPA responded that each Member State is bound by legal requirements on professional secrecy defined in the Solvency II Directive. Reference to professional secrecy requirements (Article 64 to 70 of the Solvency II Directive) is included in GL 4 and in paragraph 7 of the coordination arrangements template, which is an annex to the guidelines. EIOPA also explained that the content of the guidelines and the coordination arrangements template take into consideration EIOPA’s experience in this field.

- **Timeline and deadlines**

Stakeholders requested deadlines to perform certain activities (timeline for assessing significance and materiality of undertakings within the group), stricter deadlines for taking decisions (decisions within the college should be reached within 1 month) or asked to align certain deadlines (the six-month deadline to agree on the coordination arrangements and the four-week deadline in advance of the first meeting to provide an initial proposal for the coordination arrangements).

- In the first case EIOPA chose not to provide a strict deadline because the timeframe for this assessment depends on the complexity of the group structure and therefore cannot be strictly defined. With regard to the second issue, EIOPA disagreed to introduce a one-month deadline to reach decisions within the college, since the deadline should depend on the type of decision and allow flexibility. With regard to the third issue, two deadlines have been aligned. As a consequence, the four-week deadline to provide an initial proposal for the coordination arrangement in advance of the first meeting initiates the six-month deadline to agree upon the coordination arrangements.

- **Information on the group's structure**

A number of stakeholders expressed the view that requesting groups to perform and submit an initial analysis of its structure, as provided in GL 1, creates an unnecessary duplication of reporting obligations.

EIOPA argued that the analysis is needed for the initial mapping of the group and the composition of the college and that the intention of this guideline was not to duplicate work. Data will not be requested if already available to the group supervisor.

Comments on the Impact Assessment

Only few comments were received regarding the expected costs and benefits of introducing these guidelines, being all of them related to the underestimation of costs for undertakings and policyholders.

EIOPA explained that when the impact of a measure is deemed inexistent, it does not include eventual costs associated to existing legal provisions in the Solvency II Directive and the Implementing Measures. It only means that the clarifications provided by these guidelines to the legislation do not generate additional costs.

Based on the comments received and subsequent amendments to the guidelines, a revised Impact Assessment has been published (see Annex I of this Final Report).

Annex I: Impact Assessment and cost benefit analysis

Procedural issues and consultation of interested parties

1. The content of this impact assessment document was informally considered and developed by the IGSC College Guidelines Work Stream.
2. This impact assessment document presents the key policy questions and the associated policy options considered in developing the L3 guidelines for the operational functioning of colleges of supervisors.
3. In December 2011, an informal consultation of the guidelines and its annexes took place with the group supervisors within the national supervisory authorities.
4. The objective was to share with the group supervisors the draft guidelines because they are the main stakeholders affected by these guidelines.
5. A public consultation of the guidelines, its annexes and its impact assessment was carried out between 2nd April 2014 and 30th of June 2014. Stakeholders' responses to public consultation were duly analysed and served as a valuable input in order to revise the guidelines.
6. A detailed overview of the stakeholders' comments and EIOPA's feedback on each of them are provided in the previous section "Feedback Statement".

Background

7. Chapter III entitled 'Measures to facilitate group supervision' of Title III of the Solvency II Directive sets out the main principles of cooperation among supervisors in the context of group supervision.
8. In accordance with Article 247 of the Solvency II Directive, a single supervisor, responsible for coordinating and exercising of group supervision is designated among the supervisory authorities of the Member States concerned.
9. Article 248 of the Solvency II Directive assigns a certain number of rights and duties to the group supervisor (in particular the supervisory review and assessment of the financial situation of the group) and sets the principle for establishing a college of supervisors chaired by the group supervisor to facilitate the exercise of group supervision.
10. It also sets rules regarding the composition of the college and sets out the principle that the establishment and functioning of the college are based on coordination arrangements concluded by the group supervisor and the other supervisory authorities concerned.
11. It also provides that the coordination arrangements may entrust additional tasks to the group supervisor or the other supervisory authorities where this would result in the more efficient group supervision and would not impair the supervisory activities of the members of the college in respect of their individual responsibilities.
12. Article 249 of the Solvency II Directive requires the authorities responsible for the supervision of the individual insurance and reinsurance undertakings in a group and the group supervisor to cooperate closely by communicating

to one another without delay all relevant information as soon as it becomes available.

13. In accordance with Articles 64 and 65 of the Solvency II Directive, any exchange of information is subject to the obligation of professional secrecy. Regarding the verification of information, Article 255 of the Solvency II Directive allows supervisory authorities to carry out on-site verifications including the possibility for a supervisory authority to participate in an on-site verification carried out in another Member State.

Problem Definition

14. In the absence of any guidelines on the operational functioning of colleges of supervisors, the practical organisation of each college could differ from one another depending on the approach taken by each group supervisor.
15. This would prevent an adequate level of harmonisation across EU and generate additional costs for national supervisory authorities. Each group supervisor would need to dedicate time and resources to formalise the procedures to set up the college.
16. Lack of harmonisation in this area could also endanger the construction of a level playing field and the protection of policyholders.

Power and Rational

17. Pursuant to Article 248(6) of the Solvency II Directive, EIOPA shall issue guidelines for the operational functioning of colleges of supervisors on the basis of comprehensive reviews of their work in order to assess the level of convergence between them.
18. In addition to the objectives set above and considering the appropriateness of and capacity to develop guidelines on the operational functioning of the colleges of supervisors, EIOPA was vested upon the following responsibilities mentioned in regulation 1094/2010:
 - Contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors referred to in the Solvency II Directive;
 - Foster the coherence of the application of Union law among the colleges of supervisors;
 - Ensure a consistent and coherent functioning of colleges of supervisors for cross-border institutions across the Union, taking account of the systemic risk.
19. These are the main reasons and for developing these guidelines.

Objective Pursued

20. The objectives pursued in developing these guidelines are consistent with some of the high level objectives set for the overall Solvency II project including:
 - Ensuring better regulation;
 - Deepening the integration of the EU insurance market;

- Enhancing policyholder protection;
 - Advancing supervisory convergence and cooperation;
 - Increasing transparency;
 - Promoting international convergence.
21. The specific objective of these guidelines is to provide common rules for the functioning of colleges across Member States.

Policy Options

22. EIOPA has identified 6 main policy issues, described below, which were considered and debated during the development of these guidelines and they include:

Issue 1: The organisation of the membership of the college

23. The guidelines 1-3 refer to the organisation of the membership of, and participation in, the college. They set out the process to identify the members and participants of the college depending on the structure of the group.
24. The relevant legal framework foresees the following: Article 248 (2) of the Solvency II Directive defines the membership of the college of supervisors and leaves some flexibility regarding the participation of the supervisory authorities of significant branches and other EEA related undertakings than subsidiaries to the college as well as third-country related undertakings. The Implementing Measures define criteria regarding the identification of significant branches but leave flexibility regarding the participation of the other categories of supervisory authorities mentioned above.
25. From this baseline, two policy options were investigated in order to check the usefulness of setting criteria to determine the membership of the college:
- **Option 1:** Criteria based on group supervisor's judgment, i.e. reliance on the assessment made by the group supervisor based on his knowledge of the group structure;
 - **Option 2:** Quantitative criteria.

Issue 2: The organisation of the meetings

26. The guidelines affecting the organisation of the meetings are guidelines 6-7 and 11.
27. Guideline 6 sets a new requirement, a three-month deadline to schedule the meeting. The deadline is counted from the date of the mapping of the insurance group.
28. Guideline 7 provides minimum requirements for the preparation of the agenda of the first meeting, which are not specified in the Solvency II Directive and the Implementing Measures and requires circulating the draft coordination arrangements at least two weeks before the meeting. However, the agenda items of the first meeting should be subject to agreement between supervisors pursuant to the Solvency II Directive. In this regard, the guideline does not introduce new requirements.

29. Guideline 11 requires the agenda to be sent beforehand.
30. The relevant legal framework foresees the following: the Solvency II Directive requires the group supervisor to plan and coordinate supervisory activities through regular meetings held at least annually or through appropriate means. There are no further requirements in the Implementing Measures.
31. From this baseline, two policy options were investigated before drafting GLs 6 and 11, in order to check the usefulness of introducing deadlines regarding the organisation of the meetings:
 - **Option 1:** Introduce short but reasonable deadlines to guarantee more efficient processes;
 - **Option 2:** Introduce longer deadlines to provide more flexibility.

Issue 3: The specification of responsibilities college members and participants

32. The guidelines specifying the responsibilities of college members and participants are guidelines 8-10, 12, 22-25.
33. Guideline 8 introduces the following new requirements for the group supervisor:
 - Use EIOPA template when concluding the coordination arrangements;
 - Explain in writing the rationale for the further amendments and developments brought to EIOPA template to the other college members and participants;
 - Agree on the coordination arrangements within 6 months with the other members and participants.
34. The guideline introduces English as a default language of the coordination arrangements, but provides also flexible solution allowing college members to decide to use different language.
35. Guideline 9 specifies how to organise the college: for example how to set up specialised teams or certain work-streams to allow the college to function more efficiently; or also how specialised teams can ensure that other college members are properly informed and up to date with their work.
36. Guideline 12 relates to the college work plan and requires a critical review of the outcome of the college work plan which is an additional requirement as compared to the Solvency II Directive and the Implementing Measures (see following analysis).
37. Guidelines 22-25 are related to sharing and delegation of tasks.
38. The relevant legal framework foresees the following: According to Article 248 (1) of the Solvency II Directive, the group supervisor is responsible for planning and coordinating the supervisory activities. According to Article 248 (4) of the Solvency II Directive, the effective functioning of the college of supervisors may require that some activities be carried out by a reduced number of supervisory authorities. According to Article 248 (3) of the Solvency II Directive, colleges of supervisors should be established on the basis of coordination arrangements concluded by the group supervisor and the other supervisory authorities concerned. Article 248 (5) of the Solvency

II Directive allows colleges to use the sharing and delegation of tasks where this would result in a more efficient group supervision and would not impair the supervisory activities of the members of the college of supervisor in respect of their individual responsibilities.

39. On top of these Solvency II Directive prescriptions, the Implementing Measures include additional requirements regarding the college work plan and the content and language of the coordination arrangements.
40. From this baseline, the following policy options were investigated before drafting GLs 8-10, 12, 22-25:
 - **Option 1:** Provide guidelines specifying the responsibilities of college members and participants.

Issue 4: Communication and information exchange

41. The guidelines regarding communication and information exchange are guidelines 4, 5, 13, 15-19.
42. Communication and information exchange are the fundamental functions of the college. An effective communication strategy that allows timely, confidential and constructive discussions is one of the most essential aspects of the functioning of colleges.
43. While numerous policy initiatives before Solvency II (Helsinki protocol, Insurance Groups Directive) improved cooperation among supervisors, this was not implemented by supervisory authorities to the degree required by the financial crisis.
44. Solvency II Directive recognised this by including a more prescriptive approach to supervisory cooperation and a greater level of convergence required in prudential requirements.
45. The main difficulty to ensure an effective communication between supervisors lies in professional secrecy requirements that need to be met in order to exchange information in compliance with the law.
46. Requirements and processes differ between Member States, and even more between Member States and third countries.
47. The relevant legal framework foresees the following:
 - Requirement to provide each authority with all relevant information that allows and facilitates the exercise of their supervisory tasks, including information provided by the group and information about actions of the group and supervisory authorities;
 - Group supervisor coordinates the gathering and dissemination of information;
 - Requirement to call for a college meeting when a group faces a significant breach of its SCR or MCR, or becomes aware of such a significant breach, or other exceptional circumstances;
 - The exchange of information between supervisory authorities of EEA Member States is enabled within the professional secrecy provisions (Articles 64-69 and 253 of the Solvency II Directive).
48. From this baseline, the following policy options were investigated before drafting the aforementioned GLs 4,5,13, 15-19:

- **Option 1:** Provide guidelines on what the college should consider in the context of exchanging information and how communication should take place.

Issue 5: The organisation of examinations

49. The guidelines affecting the organisation of on-site examinations are guidelines 20 and 21.
50. The relevant legal framework foresees the following: the Solvency II Directive requires that supervisors are able to conduct examinations, including for entities within the insurance group that are not regulated insurance undertakings. The Solvency II Directive does not specify when certain examinations should be carried out, or how often. It requires that supervisors respond to information requests from other supervisors, including requests for information to be verified onsite (Article 255 of the Solvency II Directive).
51. There are no further requirements in the Implementing Measures.
52. Some Member States may have national laws that put restrictions and requirements around how the supervisory authority is allowed to carry out an on-site examination.
53. From this baseline, the following policy options have been investigated before writing the aforementioned GLs 20 and 21:
 - **Option 1:** Provide guidelines that set out when and how to organise a joint on-site examination for two or more college members and participants and guidelines about exchange information about planned on-site examination and the main findings and conclusions thereof;

Issue 6: The topics of discussion

54. Guidelines that require discussion of certain topics are:
 - Discussion of whether a new group supervisor should be designated in case of change of group structure (guideline 1);
 - Issues to be discussed in the initial meeting (guideline 7);
 - Discussion of coordination arrangements (guideline 8);
 - Discussion of planning of joint on-site examinations (guideline 20);
 - Discussion of relevant stress test topics and the methodologies supporting the stress test results (guideline 26).
55. The relevant legal framework foresees the following: the Solvency II Directive puts in place no specific requirements for colleges to discuss certain topics outside of official group-level decisions. However, the high level requirement that colleges should cooperate and communicate implies of course discussion, but the relevant topics for discussion are heavily dependent of the structure, risk profile of the group itself.
56. The Implementing Measures include no additional requirements or steering on what topics should be discussed by colleges.
57. From this baseline, the following policy option was investigated before writing the aforementioned list of GLs:

- **Option 1:** Identify particular topics that should be discussed within the colleges.

Analysis of Impact

- 58. This chapter describes the analysis of impact conducted by EIOPA in order to identify the best options.
- 59. When the impact of a measure is deemed inexistent, it does not include eventual costs associated to existing legal provisions in the Solvency II Directive and the Implementing Measures. It only means that the clarifications provided by these guidelines to the legislation do not generate additional costs.

Issue 1: The organisation of the membership of the college

- 60. Both options provide a certain level of harmonisation and save time and resources within the national supervisory authorities.
- 61. **Option 1:** Criteria based on group supervisor's judgment
- 62. Policy holder: None
- 63. Industry: None
- 64. Group supervisor: Option 1 allows group supervisors to exercise judgment when defining the membership of, or participation in, the college and have a composition of the college appropriate to the structure of the group. The group supervisor's judgment could work as a criterion, because the group supervisor's judgment is essential to ensure that the composition of the college reflects the group risk profile.
- 65. **Option 2:** Quantitative criteria
- 66. Policy holder: None
- 67. Industry: None
- 68. Group supervisor: Application of automatic quantitative criteria may not always reflect the group risk profile so closely as when the group supervisor exercises judgement on quantitative and qualitative aspects.

Issue 2: The organisation of the meetings

- 69. **Option 1:** Introduce short but reasonable deadlines to guarantee more efficient processes
- 70. Policy holder: None
- 71. Industry: None
- 72. Group supervisor: Short but reasonable deadlines ensure a timely process for the initial meeting and provide adequate time to allow participants of the meeting to get prepared properly for the meeting, and ensure that the discussions will be efficient during the meeting.
- 73. **Option 2:** Introduce longer deadlines to provide more flexibility.
- 74. Policyholder: Group supervision will not be ensured before the group supervisor is designated. Therefore, policyholder protection may be at risk.

75. Industry: Industry will face a longer process to know the authority designated as group supervisor.
76. Group supervisor: Provide more flexibility to college members and participants with the risk of delaying the designation of the group supervisor.

Issue 3: The specification of responsibilities of college members and participants

77. **Option 1:** Provide guidelines specifying the responsibilities of college members and participants
78. Policy holder: Better cooperation among supervisors limits insolvency risks.
79. Industry: Knowledge about supervisor's responsibilities facilitate communication between the group and its supervisors.
80. Group supervisor: The purpose of sharing and delegation of tasks is to assign tasks to supervisors well placed to exercise supervision in an effective and efficient way, so as to avoid duplication of tasks, optimise supervisory resources and expertise and remove unnecessary burden for the supervised undertakings.
81. The coordination arrangements template should improve the cooperation among supervisors and simplify the college work.

Issue 4: Communication and information exchange

82. **Option 1:** Provide guidelines on what the college should consider exchanging information and how communication should take place.
83. In general the Solvency II Directive distinguishes two types of exchange of information: on a systematic basis and ad-hoc exchange of information. In order to address the issue of information exchange in a proper manner, in line with the relevant provisions of the Implementing Measures, certain aspects of exchange of information on a systematic basis, especially the scope of information exchanged, will be addressed in a separate set of guidelines.
84. Policy holder: Better cooperation among supervisors limits insolvency risks. Clear rules of communication facilitate effective supervisory cooperation and limit duplication of work.
85. Industry: Knowledge on how and when information is exchanged within colleges facilitates communication between the group, the undertakings that are part of the group and relevant supervisory authorities.
86. Group supervisor and other supervisory authorities involved: The general requirement for exchange of information within colleges is provided for in Article 249 of the Solvency II Directive. However, guidelines on specific cases in which ad-hoc information exchange takes place provide greater consistency between colleges as regards the process of ad-hoc exchange of information as well as cases in which such information exchange takes place.
87. Specification of certain practical aspects related to confidentiality and professional secrecy as regards third-country supervisors facilitates

convergence of cooperation in this field and enhances protection of information.

88. The needs of supervisors will differ depending on their role in the college and the specificities of the group itself (for example, size and complexity).
89. Additionally, all supervisory authorities have limited resources and a pragmatic, risk-based approach needs to be taken for exchanging information, so that supervisors are able to prioritise the most urgent risks, and not be spending undue time on tasks that do not contribute to supervisory objectives.
90. On the basis of these considerations, the agreed approach aims at standardising information exchange through the legal framework described above.

Issue 5: The organisation of examinations

91. **Option 1:** Provide guidelines that set out when and how to organise a joint on-site examination for two or more college members and participants;
92. Policy holder: Better cooperation among supervisors limits insolvency risks.
93. Industry: Joint on-site examinations limit duplication of work and avoid sending overlapping requests by supervisory authorities to the group. Costs borne by insurance groups should decrease if examinations are well coordinated.
94. Group supervisor: On-site examinations are extremely costly to both supervisory authorities and the group itself. Therefore, it is essential that onsite examinations are carried out efficiently.
95. Onsite examination allows providing a unique insight into an undertaking and allows supervisory authorities to directly verify information provided by an insurance group. Therefore on-site examinations should be an available tool for supervisory authorities.
96. However, the need for the examinations to be carried out efficiently does support the need for a structured approach to planning a joint on-site examination and ensuring supervisory authorities find the examinations helpful.
97. Solvency II risk-based approach to supervision means that, like the rest of the supervisory review process, the on-site examinations need to be flexible and able to prioritise the most urgent risks.
98. Because of this, it appears important that the supervisors ensure the college members and participants are given the opportunity to join other on-site examinations, and that they discuss the roles of the supervisors in the on-site examination and the scope and purpose of the on-site examination.
99. Discussions in advance of the on-site examination will help to narrow issues and allow the joint on-site examination to focus on the most urgent risks.
100. The costs will be borne by the supervisory authorities that choose to be involved in the on-site examinations. It will be an ongoing cost triggered by the decision to undertake an on-site examination.

Issue 6: The topics of discussion

101. **Option 1:** Identify particular topics that must be discussed by colleges.
102. Policy holder: Better cooperation among supervisors limits insolvency risks.
103. Industry: Better coordination of supervisory work limits duplication of work and allows supervisors to focus on the main risks. It is part of Solvency II risk-based approach.
104. Group supervisor: Where consultation processes or other requirements (e.g. agreeing coordination arrangements) need agreement, guidelines require discussion by college members to allow supervisory authorities to address the relevant supervisory matters and prioritise the most relevant groups for their group.
105. In addition, the importance of considering relevant market-wide risks and financial sector developments has been identified. In particular, it supports the forward-looking approach of Solvency II risk-based supervision.
106. Because these types of risks are likely to vary in relevance to specific groups, it is important to let supervisors assess themselves how relevant certain risks are, and what priority should be assigned to them.
107. Discussion within the college can be carried on and finalised through e-mail, conference-call or face-to-face meetings. This means that colleges are able to minimise costs of additional discussions.
108. Market-wide risk discussions are part of the general college work on assessing the risk profile of the group.
109. If these discussions become integral part of the existing supervisory practices, they can help saving resources (both financial and human) to run separate exercises when some urgent issues emerge.
110. From this point of view, colleges that conduct periodical discussions on all possible sources of risk specific to the group are better able to plan and manage and allocate resources.
111. The largest part of costs will be borne by the group supervisor, and only limited amounts by the other supervisors in the college.

Comparing the Options

112. Regarding the organisation of the membership of the college, these guidelines introduce criteria based on the group supervisor's judgment rather than quantitative criteria to ensure that the composition of the college reflects the group risk profile.
113. Regarding the organisation of the meetings, these guidelines introduce short but reasonable deadlines rather than longer but more flexible deadlines to ensure a timely process for the initial meeting while providing adequate time to allow participants to get prepared.
114. Regarding supervisory tasks, these guidelines further specify the responsibilities of college members and participants.
115. Regarding communication and information exchange, these guidelines specify what the college should consider in the context of exchanging information on a systematic basis and an ad-hoc basis and how communication should take place.

116. Regarding the organisation of examinations, these guidelines set out when and how to organise a joint on-site examination for two or more college members and participants.
117. Regarding the organisation of supervisory work within the college, these guidelines identify particular topics that must be discussed by colleges.
118. In general the options chosen improve cooperation and coordination within the college, allow supervisors to focus on the most relevant risks and reach a shared view on the risk profile and financial position of the group, optimise supervisory resources and limit duplication of work which reduces the burden on the industry and increases policyholders' protection through the reduction of insolvency risk.

Monitoring and evaluation of the guidelines

Monitoring and evaluation of the achievement of these guidelines will be carried out as part of the regular reviews of the functioning of colleges in line with the requirement set out in Article 248(6) of the Solvency II Directive, and development of the reports on the operational functioning of colleges, issued by EIOPA on an annual basis.

The objective of these guidelines is to provide common rules for the functioning of colleges across Member States. The structure and organisation of the college should be proportionate to the nature, scale and complexity of the group and to the risks inherent to the activities of the supervised undertakings. In order to assess the achievement of consistent functioning of the colleges, the following areas of the functioning of colleges can be considered:

- involvement of all relevant supervisory authorities in the operations of the colleges;
- exchange of information;
- establishment of the specialised teams;
- sharing and delegation of tasks;
- establishment of the college work plan;
- consultation and decision making processes;
- organisation of joint on-site examinations;
- organisation of the college meetings.

Annex II: Resolution of comments

Summary of Comments on Consultation Paper				
CP-14-010-Guidelines on the operational functioning of colleges				
<p>EIOPA would like to thank Insurance and Reinsurance Stakeholder Group, Association of Bermuda Insurers and Reinsurers, CFO Forum and CRO Forum, European Federation of Financial Advisers and Financial Intermediaries, Insurance Europe, International Underwriting Association of London, National Bank of Belgium, Swedish Society of Actuaries, and Swiss Insurance Association.</p> <p>The numbering of the paragraphs refers to Consultation Paper No. EIOPA-CP-14/010.</p>				
No.	Name	Reference	Comment	Resolution
1.	IRSG	General Comment	<p>First comment: This opinion relates to the Proposal for Guidelines on the operational functioning of colleges of supervisors issued for public consultation on 1 April 2014.</p> <p>As a general comment, although guidelines on the operational functioning of colleges are no doubt useful, there is a risk of over-regulation. The number and length of the guidelines should therefore be kept to an efficient minimum.</p> <p>There is a question about the legal basis for this document. Reference is made in the introduction to Art. 248 (6) of the Solvency II Framework Directive.</p> <p>□ This provision, which was not changed in substance by Omnibus II, refers to the elaboration of guidelines for the operational functioning of colleges of supervisors “on the basis of comprehensive reviews of their work in order to assess the level of convergence between them. Such reviews shall be carried out at least every three years. Member States shall ensure that the group supervisor transmits to EIOPA the information on the functioning of the colleges of supervisors and on any difficulties encountered that are relevant to those reviews”.</p>	<p>Fist comment: Partially agreed</p> <p>See revised version of the Introduction addressing comment on EIOPA’s empowerment to issue guidelines on the operational functioning of colleges.</p> <p>EIOPA is empowered to issue guidelines on the functioning of colleges based on the following:</p> <ol style="list-style-type: none"> i. Colleges of supervisors have already been functioning for a few years under SI and SII preparatory phase; and EIOPA has been a member of the

			<p>□ This seems to suggest that EIOPA should only draft the guidelines after having carried out a review of their operation in practice. It would appear at least necessary for EIOPA to mention in the Introduction whether such a review has been carried out and what lessons EIOPA has taken from that review. That should be the basis for the guidelines.</p>	<p>Colleges since 2011.</p> <ul style="list-style-type: none"> ii. EIOPA has been publishing in the public domain reports on functioning of the Colleges since 2007, including the accomplishment of the EIOPA Colleges Action Plans since 2011. iii. In the context of the Action Plan a gap analysis of the functioning of colleges against the draft guidelines was done. iv. Also EIOPA is currently finalising a peer review on colleges. <p>In the EIOPA Regulation it is specifically mentioned that EIOPA may draft guidelines to promote convergence in supervisory functioning and best practices adopted by Colleges (art. 21).</p> <p>Finally, EIOPA can draft guidelines at its own initiative on areas that fall in its scope of action. No explicit empowerment is needed for that.</p> <p>EIOPA believes the guidelines that are being</p>
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			<p>Second comment: At the same time, EIOPA should indicate what the relationship will be between these guidelines and the Regulatory Technical Standards which EIOPA may want to draft (based on the guidelines) or will have to draft (on the coordination of group supervision).</p> <p>Third comment: The explanatory text from pages 46 onwards with detailed explanations is helpful, although sometimes repetitive and too descriptive.</p> <p>Some drafting changes would upgrade the quality of this document. It responds to real concerns but one should avoid introducing new legal requirements. Experience will tell where improvements in the</p>	<p>issued for day-one are based on appropriate reviews that have been done so far, and the guidelines are relevant.</p> <p>Second comment: Partially agreed</p> <p>It is too early to indicate in these guidelines what will be the relationship between these guidelines and the Regulatory Technical Standards which EIOPA may want to draft (based on the guidelines).</p> <p>When not addressed in the Solvency II Directive or these guidelines, the coordination of group supervision will be further specified in the relevant guidelines (Guidelines on Group Solvency Calculation, group part of Guidelines on the Supervisory Review Process).</p> <p>Third comment: Agreed</p> <p>Repetitions were removed and drafting improved.</p>
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			<p>legal framework are possible.</p> <p>Fourth comment: might be useful to consider possible implications for cross-sectorial colleges relating to financial conglomerates (see, Consultation Paper of the Joint Committee).</p>	<p>Fourth comment: Partially agreed</p> <p>Possible implications for cross-sectorial colleges relating to financial conglomerates should be addressed in joint guidelines on the convergence of supervisory practices relating to the consistency of supervisory coordination arrangements for financial conglomerates. A coordination arrangements template may be developed at a later stage by the Joint Committee. These current developments were considered while preparing these guidelines for insurance groups.</p>
2.	Association of Bermuda Insurers and Reinsurers	General Comment	<p>Firstly, we would like to thank EIOPA for the opportunity to provide comments on the consultation on CP-14/010. The Association of Bermuda Insurers and Reinsurers (ABIR) represents 21 international insurers and reinsurers that protect consumers around the world. These groups reported 2013 global gross written premium of \$70.1 billion on a capital base of \$95.4 billion. With headquarters or underwriting operations in Bermuda; and with operating subsidiaries around the world, these carriers derive business income from 150 countries and employ nearly 39,000 people globally. We have reviewed the CP with keen interest as our member companies already participate in supervisory colleges both in Europe and the United States and in particular where the Bermuda Monetary Authority is the</p>	

			<p>group supervisor.</p> <p>First comment: We note that the CP does not address the treatment of equivalent third countries acting as group supervisor but only discusses the scenario where a third country supervisor is invited to participate in an EEA group supervisory college and that the critical assessment to allow participation is the confidentiality provisions of that third country. By its absence of guidance related to the treatment of equivalent third countries, can we assume that EIOPA may be issuing separate guidance for equivalent third countries on all matters? In this regard, can EIOPA provide some clarity on the treatment and recognition of equivalent third country jurisdictions as it relates to the mechanics of the supervisory college?</p> <p>Second comment: The CP only refers to third country supervisory authorities who are “invited to join the College of supervisors as participants” (see language under Guideline 4). This cannot be the situation for a recognized third country authority acting as the group supervisor under Article 260 of the Solvency II Directive. Therefore, is it correct to consider that the Guidelines will not be applicable to equivalent third countries notwithstanding the fact that an express indication of its non-application is missing.</p> <p>Third comment: Since the role of the EU group supervisor is further set out in those Guidelines, can we anticipate that EIOPA will come forward with some corresponding guidance in an equivalence context? Subject to confirmation, can we expect that this future guidance in an equivalence context will most likely be addressed to EU competent authorities to guide them on how to participate in and organize work of a college chaired by the competent authority of an equivalent jurisdiction acting as group supervisor?</p>	<p>First comment: Noted</p> <p>EIOPA cannot specify the guidelines for third-country group supervisors. An equivalent third-country supervisor should organise its college in accordance with its local legislation. However, EIOPA will issue separate guidelines on the on the methodology for equivalence assessments by National Supervisory Authorities under Solvency II.</p> <p>Second comment: Agreed</p> <p>The interpretation provided is correct and the introduction states that these guidelines apply to colleges of EEA groups. (See introduction 1.4)</p> <p>Third comment: Noted</p> <p>This issue is not within the scope of these guidelines.</p>
3.	CFO Forum – CRO Forum	General Comment	<p>First comment: Thank you for the opportunity to comment on the draft guidelines on the operational functioning of colleges of supervisors published on 2 April 2014. As a result of the workshop session on 10 June, we now have a much clearer insight into the</p>	<p>First comment: Noted</p>

		<p>work done by EIOPA on Colleges and how these guidelines sit within that context. We also appreciate EIOPA's open communication during the session.</p> <p>We have provided detailed comments on the draft guidelines in the standard template provided, but would like to highlight the following key issues up front.</p> <p>Second comment: Communication and partnership</p> <p>In our experience, the interaction and communication with the firm is a positive feature of the way many colleges operate today. However, the guidelines as written place very little emphasis on this. Whilst we understand the nature of the document is to provide guidance to supervisors we strongly believe that the effectiveness of colleges is significantly enhanced when approached in partnership with the firm concerned. As Risk Officers our role is to consider the full remit of risks facing the firm and how they might interact and we believe there is benefit in leveraging existing risk and reporting procedures to identify key issues. A partnership between the firm and the college establishes trust, creates transparency and efficiency. Feedback and further involvement in the college meeting is the key for shaping the work plan, smoothing the operation of colleges and improves decision making.</p> <p>Third comment: <u>Broader scope</u>: We appreciate that EIOPA's guidelines can only cover the functioning of colleges from a European perspective. However, we consider it important that these guidelines are positioned in the wider context of global group supervision particularly in light of the anticipated IAIS work on this topic later this year, and the participation rights of third party countries. Supervision can be approached from many different perspectives not only Global, Regional and National, but also across sectors, such as banking and conduct.</p>	<p>Second comment: Partially agreed</p> <p>GL 15 and 26 on communication with supervised undertakings aims at addressing this issue.</p> <p>See revised GL 15 and 26 and its explanatory text.</p> <p>Third comment: Partially agreed</p> <p>Aspects related to global group supervision, on a world-wide basis or cross-sectoral, are actually considered and assessed in other context such as IAIS and Joint Committee discussions.</p>
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		<p>Fourth comment: <u>Sub group supervision:</u> In order for group supervision to be truly effective, the respective roles and responsibilities of supervisors within the College must be clear and a proliferation of sub-colleges with potentially differing objectives avoided. Wherever possible there should be a single group supervisor globally with a clear mandate to coordinate global activity. This could potentially extend to cross sectorial supervision for financial conglomerates or mixed groups. Consistent with the Solvency II intention for Colleges to be a flexible structure for cooperation, we consider that the sharing and delegation of tasks amongst supervisors through specialist teams/ ad hoc workshops would lead to a more efficient and effective functioning of Colleges than the more legalistic approach of formalized sub-groups. Definitions on sub group supervision, sub colleges and specialized teams should therefore be clear in order to work effectively.</p> <p>Fifth comment: <u>Information gathering:</u> There is a significant amount of detail in the information gathering section which at times goes beyond what will be routinely reported to supervisory authorities. We would welcome confirmation that the intention is not for the firm to be subject to additional information requests and the intention to use information already available to supervisors.</p> <p>Sixth comment: A preliminary survey indicated that functioning of colleges is not optimal. Results show that responsibilities and decision making are not clear and functioning is not as intended, concerns were also raised about the seniority of college members is sometimes an issue. In addition to this preliminary survey the CRO Forum plans to send out a questionnaire among members in order to get more insight in experiences with colleges as a basis of a paper. This paper will also be shared with EIOPA. As stated above, we would</p>	<p>Fourth comment: Agreed</p> <p>Specialised teams dealing with regional matters are now provided as an example in the explanatory text of GL 9.</p> <p>Fifth comment: Noted</p> <p>GL 19 on exchange of information on a systematic basis was removed from those guidelines. It will be inserted in a separate set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way. Sixth comment: Noted</p>
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		<p>be happy to discuss functioning of colleges further with EIOPA.</p> <p>In addition to the key points set out above, we would like to highlight the following additional points:</p> <p>Seventh comment: 1. EIOPA’s role in colleges should be to ensure consistency of interpretation of S II in Europe.</p> <p>Eighth comment: 2. In deciding the list of ratios and other selected data the supervisors will exchange, supervisors should select ratios that have a demonstrable value for trend analysis and the fostering of constructive dialogue among supervisors in the fulfilment of their regulatory objectives, and between the College and the insurance group.</p> <p>Ninth comment: 3. Clarity is needed within the guidelines of how the College of supervisors interacts with other groups, such as Crisis Management Groups (CMGs) as set out in the FSB’s key attributes for effective resolution regimes, and Cross Border Stability Groups (CBSGs) as set out in the EU MoU on cross border financial stability referred to in the consultation paper. In our view, further guidance relating to the formalisation of memorandums of understanding and Coordination Arrangements with regulators in third countries should be included in these guidelines to ensure that all coordination</p>	<p>Seventh comment: Noted GL 19 on exchange of information on a systematic basis was removed from those guidelines. It will be inserted in new set of guidelines, which will address the issue of exchange of information on a systematic basis within colleges in a more comprehensive way.</p> <p>Eighth comment: Noted GL 19 on exchange of information on a systematic basis was removed from those guidelines. It will be inserted in a separate set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way.</p> <p>Ninth comment:</p>
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			requirements are met in a consistent, efficient and proportionate manner. This is particularly important where the supervisor of a third country subsidiary is significant within the group.	<p>Partially agreed</p> <p>The issues relating to CMGs and CBSGs are out of scope of these guidelines.</p> <p>The issues relating to cooperation with third-country supervisors are already addressed in the coordination arrangement template, paragraph 7, subparagraph "Information exchange".</p>
4.	FECIF	General Comment	The main issue we would like to underline is the need of participation of stakeholders' representatives (insurance and re-insurance, intermediaries, consumers) to the regulatory supervision process.	<p>Disagreed</p> <p>National supervisory authorities are responsible for supervisory activities, which should be carried out on the basis and within the law. The Solvency II Directive does not provide for the participation of the stakeholders' representatives in the supervisory process. National supervisory authorities are obliged by legal provisions of professional secrecy. However, it is the main purpose of insurance supervision to protect interests of policyholders and beneficiaries.</p>

5.	Insurance Europe	General Comment	<p>First comment: Insurance Europe welcomes the opportunity to comment on the Guidelines for the operational functioning of Colleges.</p> <p>We welcome EIOPA as a member in Colleges to ensure efficiency of the operations and consistent interpretation of Solvency II. We largely find the Guidelines operational and very important in order to ensure convergence in the Colleges of supervisors and to ensure an appropriate level of communication and flexibility between supervisors involved in the supervision of the group. We would also like to stress the importance of ensuring that the confidentiality and professional secrecy requirements are abided by.</p> <p>Second comment: Guidelines and ITS not consulted simultaneously</p> <p>It is generally challenging to provide comments on Guidelines that refer to an ITS which will not be consulted until at a later stage. To be able to give appropriate comments these Guidelines should be consulted in conjunction with the relevant ITS (information exchange within Colleges of supervisors as part of Set 2 consultation), to ensure consistency.</p> <p>Third comment: Alignment of terms needed</p> <p>It is also important the terms used are aligned with those set out in the Directive and the Delegated Acts. For example both "solo" undertaking and "individual" undertaking is used throughout the Guidelines.</p> <p>Fourth comment: Link to FICOD guidelines on supervisory convergence</p> <p>Finally, it is important that a link is made to the final Joint Committee consultation paper on Guidelines on the convergence of supervisory</p>	<p>First comment: Noted</p> <p>Second comment: Agreed</p> <p>Unfortunately, another solution was not possible due to a schedule of deliverables on Solvency II project. College guidelines need to be published sooner than the ITS due to the Solvency II Directive requirements.</p> <p>Third comment: Agreed</p> <p>Agreed. A full drafting review has been performed.</p> <p>Fourth comment: Noted</p> <p>A coordination arrangements template may be developed at a later stage by the Joint</p>
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			practices relating to the consistency of the supervisory coordination arrangement for financial conglomerates which outlines supplements to the functioning of sectorial Colleges, where a cross-border group has been identified as a financial conglomerate.	Committee. These current developments were considered while preparing these guidelines for insurance groups.
6.	International Underwriting Association of London	General Comment	<p>First comment: The guidelines are welcome, because they provide the rules and clarity needed for the colleges to function effectively. We also welcome the role that EIOPA will play as a mediator and arbiter. However, it appears to us that these guidelines should be cross-referenced to the standards on the process to reach a joint decision for group internal models, so as to avoid any confusion or inconsistency.</p> <p>Second comment: It also seems to us that there should be a framework of deadlines for the regime to come into effect. Is there an expectation that the colleges will be up-and-running on 1 January 2016 and that Guidelines 1 to 8 will have been complied with by 1 January 2016?</p> <p>Third comment: Furthermore, we are concerned that the processes may be too elaborate for some groups. In order to avoid a great deal of extra work for supervisors and groups, the requirements should be</p>	<p>First comment: Partially agreed</p> <p>Although we can see the practical advantages of cross references, it is not possible to make references to guidelines in technical standards from a legal point of view. The reference to Implementing Technical Standards on the joint decision process for group internal models is made in paragraph 8.5 of the coordination arrangements template, which is an annex to these guidelines.</p> <p>Second comment: Noted</p> <p>The deadlines are provided for in the introduction of the guidelines: the guidelines shall apply from 1 April 2015 with the exception of Guidelines 17 to 19 that shall apply from 1 January 2016.</p> <p>Third comment: Agreed</p>

			proportionate to the nature, scale and complexity of the group.	These guidelines should be applied in a proportionate manner. The coordination arrangements may be adapted to the needs of particular colleges (See GL 8).
7.	Swedish Society of Actuaries (SSA)	General Comment	<p>First comment: From the actuarial profession it is important with clear and efficient responsibilities in group supervision. This will provide a solid basis for the supervision of TP and related areas in a cross-border group.</p> <p>Hence we suggest the following comments and clarifications as outlined below.</p>	First comment: Noted
8.	Swiss Insurance Association (SIA)	General Comment	<p>First comment: The Swiss Insurance Association (SIA) is responding to EIOPA's guidelines as the representative trade association for insurance groups headquartered in Switzerland. Each of the insurance groups concerned have a global College chaired by FINMA and attended by both EU supervisors and representatives from supervisors in other third country jurisdictions in which those groups operate. As such the global colleges of Swiss insurance groups are not governed by Solvency II.</p> <p>We support the development by EIOPA of principles for the functioning of European colleges. It is fundamental that these are compatible with the wider context of (future) global standards in this area, in particular the work being undertaken by the IAIS to develop ComFrame and existing principles and guidelines adopted by FINMA.</p> <p>Second comment: The principles should provide a basis for EU supervisors to interact effectively with supervisory authorities in EEA Member States and supervisory authorities in third countries participating in a college. In light of this, it is important to bear in mind that colleges chaired by third country group supervisors will be subject to the principles for the functioning of colleges applicable in</p>	<p>First comment: Noted</p> <p>Second comment: Noted</p>

		<p>that third country.</p> <p>Third comment: As a key component of the proposed principles, the need and role of a single group supervisor is essential for the efficient and effective functioning of colleges. There should be a single group supervisor globally with a clear mandate to coordinate the supervision of an insurance group.</p> <p>Fourth comment: As recognised in the Solvency II Directive, Colleges should provide a flexible structure for cooperation and coordination amongst supervisors under the leadership of the group supervisor. An approach whereby specialist teams are mobilised where necessary to consider emerging issues proposed in Guideline 9 could be consistent with such a flexible structure. However, we do not support the more formalistic and legalist approach of sub-groups contemplated in the explanatory text to Guideline 23.</p> <p>Fifth comment: References to the creation of sub-groups/colleges blurs the distinction between solo and group supervision, challenges the notion of a single group supervisor, is inconsistent with the way groups manage themselves and undermines efficient supervision by creating duplications. It should therefore be avoided and focus given to developing alternative approaches to analyse and monitor regional issues relevant to the wider group.</p> <p>Sixth comment: We are concerned by the lack of recognition in the guidelines of the role of the insurance group in colleges. The guidelines should promote best practices from current supervisory colleges and must clearly recognise the important role of the insurance group in the parts of College meetings in which the insurance group participates (e.g. discussing agendas, preparing materials and communicating with supervisors). The insurance group plays an important role not only in providing the College with information on the group's strategy, risk profile and solvency and</p>	<p>Third comment: Noted</p> <p>Fourth comment: Agreed</p> <p>Specialised teams dealing with regional matters are now provided as an example in the explanatory text of GL 9.</p> <p>The reference to colleges of sub-groups has been removed from the explanatory text of GL23.</p> <p>Fifth comment: Agreed</p> <p>See GL 9 and 23 and revised explanatory text.</p> <p>Sixth comment: Partially agreed</p> <p>See revised GL 15 and 25 and explanatory text.</p> <p>On proposal of GL 10 bis: see answer to comments 55 and 57.</p>
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			<p>financial position, but also in supporting supervisors' understanding of the differences between different jurisdictions approaches. We have taken the liberty of attaching a drafting proposal for an additional guideline on the insurance group's interaction with the college (see guideline 10bis).</p> <p>Seventh Comment: Additionally, we are concerned that the proposed standard list of ratios/ selected data for systematic information exchange set out in Guideline 19 and Annex 2 does not provide a useful basis for facilitating a constructive discussion amongst supervisors. The ratios should at least be specific to the nature of the group's business and its individual circumstances and should serve as a suggestion that can be tailored to the group as appropriate, rather than as a minimum. The focus of the ratios should be on changes as compared to the previous period to allow supervisors to detect emerging issues and trends. The intention to use information already reported should be stated explicitly to avoid additional reporting burdens for groups.</p>	<p>Seventh comment: Partially agreed</p> <p>GL 19 on exchange of information on a systematic basis was removed from those guidelines. It will be inserted in a separate set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way.</p>
9.	IRSG	Introduction & 1.1.	<p>A number of general comments are worth mentioning regarding the introduction:</p> <p>First comment: The text of the Introduction needs serious redrafting. The text is clearly of less quality than the guidelines themselves.</p> <p>Second comment: The Introduction introduces the paper well, sets the scene and then goes directly into the key issues, such as the establishment of the college of supervisors, on-going functioning, etc.</p> <p>Third comment: It would be good to give a definition early on in the Introduction of the concept of "Participant" in the college. That concept is defined in the "Arrangement" but not elsewhere in the document.</p>	<p>First comment: Agreed See response to comment 1 and revised introduction.</p> <p>Second comment: Agreed</p> <p>Third comment: Agreed See definition of participants in revised introduction aligned with the definition in the coordination arrangement.</p>

			Fourth comment: It might be helpful to include an Executive Summary (after the introduction) which would ensure that the high-level supervisors and other policy-makers are provided with enough information to make a decision. The Executive Summary should summarize the key points of the guidelines in only 2-3 pages.	Fourth comment: Disagreed An Executive Summary has not been drafted for any set of guidelines.
10.	FECIF	Introduction & 1.2.	It is illusory to consider that these rules can apply in "Union law", without incorporating the US in particular, as this will hamper the capacity of the EU to be a global player in the field. Being aware is one thing, being idealistic or efficient is another. "Enhancing the single market playing field" is rather utopic and counterproductive. Furthermore, Guidelines are non-binding instruments.	Disagreed These guidelines apply only to colleges subject to Union law. Aspects related to global group supervision, on a world-wide or cross-sectoral basis, are actually considered and assessed in other context (IAIS, Joint-Committee).
11.	CFO Forum – CRO Forum	Introduction & 1.7.	First comment: It is not clear from the guidelines how micro economic risk assessments by Colleges would contribute to the evaluation of macro-economic risks for financial stability purposes. Given that stress testing in this respect is specified by EIOPA, and the College role in crisis situations with systemic implications is unclear given the remit of other groups such as CMGs and CBSGs. Second comment: European banking supervision will reside with the ECB in Frankfurt. Further clarity is also required on how EIOPA might leverage the information that central banks have on the stability of the financial system to the macro-economic risks for financial stability purposes.	First comment: Disagreed The group risk assessment carried out by the college is part of the information which contributes, together with data and information provided by Central Banks, to the valuation of risks of the financial sector. Second comment: Noted Regarding the cooperation with the ECB for the macro-economic perspective - there is an MoU concluded between EIOPA and the ECB,

				<p>published on the EIOPA web-site.</p> <p>In line with Article 248.1 of the Solvency II Directive, GL 27 provides that, when assessing the risk profile of the group, the group supervisor should, with the involvement of the other members and participants, take into account the impact of the market-wide risks, financial sector developments and vulnerabilities on the financial situation of the group.</p>
12.	FECIF	Introduction & 1.7.	Together with the level playing field and the principle of proportionality, the “micro-economic risk assessment” is central to the survival of Independent Financial Advisers (IFAs) in this field. It is the first time that job losses are underlined by this assessment. This should therefore be put forward very strongly.	<p>Noted</p> <p>This comment is out of scope of these guidelines.</p>
13.	CFO Forum – CRO Forum	Introduction & 1.8.	We welcome EIOPA’s role in monitoring the functioning of Colleges and believe this will be most effective where it also seeks the views of insurance groups to assess whether there is an effective and efficient dialogue and relationship between the College and the insurance group. In practice there is a careful balance between observing, participating and facilitating.	<p>Partially agreed</p> <p>It is important to have a constructive dialogue with the group, but it is up to the group supervisor to decide on the feedback to provide.</p>
14.	FECIF	Introduction & 1.9.	EIOPA will act as a Secretary General to the Group Supervisor. It is important, but who will then be in charge of decisions if the industry is only implementing and not writing rules?	<p>Disagreed</p> <p>EIOPA will not act as Secretary General of the Group Supervisor but will have specific</p>

				responsibilities in the context of the colleges' functioning, as provided in relevant legal acts. These guidelines describe the roles and tasks of EIOPA and the supervisory authorities involved in the college, without prejudice to the responsibility of each authority with respect to the supervised entity.
15.	IRSG	Guideline 1	<p>First comment: The following wording should be included in order to ensure that the members of the College have the relevant knowledge: "The group supervisor should have sufficient knowledge of the insurance (or reinsurance) group, both domestic and international, in order to anticipate risks faced by the group. The host supervisor should have relevant knowledge with respect to the insurance group's operations within its jurisdiction."</p> <p>Second comment: Overall, the guideline for establishing a college seems appropriate with respect to its content. However, given that one size does not fit all, the actual design and organization of colleges should depend on the specific circumstances to ensure efficient cooperation. No single structure will be appropriate for all insurance groups. Therefore, it might be helpful highlighting a more pragmatic approach which would ensure flexibility in the design of the colleges.</p>	<p>First comment: Partially agreed</p> <p>The issue of knowledge is already addressed in art. 27 of Solvency II Directive and in the coordination arrangement template (par. 6). Stronger wording was added to par. 6 of the coordination arrangements template, stating that the contribution of the group supervisor and the other members and participants is based on sufficient knowledge of the group and supervisory expertise.</p> <p>Second comment: Partially agreed</p> <p>Proportionality for organisation of the college is already addressed in GL9 which links the</p>

				<p>organisation of the college has to the group's structure, taking into account the significance and materiality of the entities within the group. Moreover, according to GL 10, one of the tasks of the group supervisor is to review the organisational structure ... with a view to maintaining efficient group supervision"(see also GL 26 regarding sharing and delegation of tasks).</p>
16.	CFO Forum – CRO Forum	Guideline 1	<p>First comment: The requirement for the group to submit an analysis of its group structure including an assessment of any dominant or significant influence exercised over an undertaking by another undertaking of the group is an unnecessary duplication of the obligation in the SII DA (Art 341 and 353). Care should also be taken to ensure that groups are not asked to reformat data which has already been provided to supervisors.</p> <p>Second comment: The first paragraph introduces the term 'participants of the college', which is used throughout the guidelines. We acknowledge that Article 248(3) of the Solvency II Directive and Article 338(2) of the draft Solvency II Delegated Acts refer to other supervisory authorities participating in the College (e.g. supervisory authorities of branches and supervisory authorities of third country</p>	<p>First comment: Disagreed</p> <p>The analysis is needed for the initial mapping of the group and the composition of the college. It is not the intention of the guideline to duplicate the work, if the data are already available to the group supervisor. The guidelines aim at addressing all steps of the process of setting up a college.</p> <p>Second comment: Disagreed</p> <p>Distinction between members and participants is needed to provide clarity</p>

			related undertakings). However, the Directive only refers to "members of the college" and once other supervisory authorities are invited to participate in the College in accordance with Article 248(3) it is our understanding that they become "members". References to "members of the college" (e.g. in Article 248(2)) only make sense in the context of "members" including all supervisory authorities that are part of the College. We would therefore suggest that the guidelines are amended to remove the distinction between participants and members.	regarding the status of supervisors involved in the college. Members can take part in decision processes in colleges according to Solvency II Directive, while participants cannot (their involvement is limited to achieving efficient exchange of information, pursuant to Article 248 of the Solvency II Directive).
17.	FECIF	Guideline 1	<p>There is no provision to review periodically in a timeframe the structure of the group. For instance if the Group decides that IFAs are not members, de facto there will be no opportunity to modify the structure, since IFAs are ignored. Only a yearly review could allow IFAs to have their voice heard and be recognised.</p> <p>The mapping allows for review as new stakeholders appear, but if dismission is free and membership not compulsory, to what avail then?</p>	<p>Disagreed</p> <p>Only supervisors can be members and participants of the college according to Article 248 of the Solvency II Directive. Representatives of the industry or stakeholders cannot be members or participants of the college.</p>
18.	Insurance Europe	Guideline 1	<p>First comment: The difference between "members" and "participants" is not clear and should be defined in the Guidelines.</p>	<p>First comment: Agreed</p> <p>Definitions of members and participants are provided in the Introduction. Distinction between members and participants is explained in the coordination arrangement template in the paragraph 6 with regard to their</p>

			<p>Second comment: Furthermore, it seems a bit strange to have a long list of definitions in Annex 1 – coordination arrangement.</p> <p>Third comments: Examples given in brackets should be moved to explanatory text.</p>	<p>responsibilities. All members of the college of supervisors, except EIOPA, vote when required. Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor.</p> <p>Second comment: Disagreed</p> <p>The list of definitions is meant to facilitate the readability of the coordination arrangements template, which is going to be a standalone document (coordination arrangements will be signed as a separate document for each college).</p> <p>Third comment: Disagreed</p> <p>There are no examples in brackets in GL1.</p>
19.	International Underwriting Association of London	Guideline 1	The distinction between members and participants is not clear. We understand that members would be the supervisors of EEA licensed undertakings. It is not clear what other supervisors would be permitted to participate, excepting supervisors of jurisdictions with major EEA branches or supervisors from third-country jurisdictions?	<p>Disagreed</p> <p>See answer to comment 18</p> <p>It is further specified in the Implementing Measures who is allowed to participate in the college.</p>

20.	Swiss Insurance Association (SIA)	Guideline 1	<p>First comment: The first paragraph introduces the term ‘participants of the college’, which is used throughout the guidelines. We acknowledge that Article 248(3) of the Solvency II Directive and Article 338(2) of the draft Solvency II Delegated Acts refer to other supervisory authorities participating in the College (e.g. supervisory authorities of branches and supervisory authorities of third country related undertakings). However, the Directive only refers to “members of the college” and once other supervisory authorities are invited to participate in the College in accordance with Article 248(3) it is our understanding that they become “members”. References to “members of the college” (e.g. in Article 248(2)) only make sense in the context of “members” including all supervisory authorities that are part of the College. We would therefore suggest that the guidelines are amended to remove the distinction between participants and members.</p> <p>Second comment:</p> <p>The third paragraph prescribes that the group supervisor should require the group to submit an analysis of its group structure including an assessment of any dominant or significant influence effectively exercised over an undertaking by another undertaking of the group. This is an unnecessary duplication of the reporting obligations in the Solvency II draft Delegated Acts (Art. 341 and 353), which already requires the group to submit information on the group structure, all subsidiaries, material related undertakings and significant branches to the group supervisor, which can be used for the group supervisor’s mapping process.</p>	<p>First comment: Disagreed</p> <p>See answer to comment 16.</p> <p>Second comment: Disagreed</p> <p>See answer to comment 16 (first comment).</p>
21.	CFO Forum – CRO Forum	Guideline 2	<p>The assessment by the group supervisor of significant undertaking within the group should include a dialogue with the insurance group. Some clarification in explanatory text is needed on how to interpret autonomous in point f.</p>	<p>Partially agreed</p> <p>The Explanatory Text of GL 1 already clarifies that the mapping process is expected to be carried out by the group supervisor in dialogue with the</p>

				<p>participating re-insurance undertaking (or the insurance holding company or the mixed financial holding company) and the other supervisory authorities identified.</p> <p>For f) the drafting will be clarified: "the level of influence exercised over the undertakings;"</p>
22.	Insurance Europe	Guideline 2	<p>What is the timeline for assessing significance and materiality of undertakings within a group? Clarification needed.</p> <p>(2c) This might difficult to get as there are groups that close their financial years at different point in the calendar year (31/12, 30/03 etc.). Further clarity should be given on the manner in which this will be accounted for.</p>	<p>Disagreed</p> <p>The timeframe for this assessment cannot be defined because it depends on the complexity of the group structure.</p> <p>It is up to the group supervisor, together with other supervisors involved, to decide which data are available to be taken into account and how to take them into account for the assessment of significance of the undertaking within the group.</p>
23.	Swedish Society of Actuaries (SSA)	Guideline 2	<p>First comment: 1.13 f) The word "autonomous" is not defined. All legal entities are legally autonomous. If this terminology is thought to be linked to any centralisation of risk management this should be clarified.</p>	<p>First comment: Partially agreed</p> <p>See answer to comment 21.</p>

			<p>Second comment: 1.13 second d) “the level of risk of activities carried out by the undertaking” should read better as “the level of risk carried by the undertaking”.</p>	<p>Second comment: Partially agreed</p> <p>The following wording will be used: “the level of risk to which the undertaking is exposed and potential effect on the local market;”</p>
24.	CFO Forum – CRO Forum	Guideline 3	<p>First comment: In the impact assessment covering guidelines 1 to 3, it is not correct to state that there is no impact on the industry of these guidelines as the process of establishing who will be a member/participant will affect the dynamics, logistics and indirect costs for the firm associated with the college.</p> <p>Second comment: Guideline 3 should refer to article 248 and make clear that this is the prevailing rule. Guideline 3 appears to leave it up to the group supervisor to decide whether the supervisory authorities of significant branches are allowed to participate in the college. Art. 248 of the Directive is however slightly different and in principle allows supervisors of significant branches to participate, in so far as this is necessary to achieve the objective of efficient exchange of information. The group supervisor should decide on this necessity, but should not be able to exclude supervisors of significant branches on other grounds, not envisaged by the directive.</p>	<p>First comment: Disagreed</p> <p>The costs result from the provisions of the Solvency II Directive according to which the composition of the college should reflect the structure and risk profile of the group in order to ensure efficient supervision, beneficial both for supervisors and the group.</p> <p>Second comment: Disagreed</p> <p>GL 3 highlights that the assessment of the significance and materiality of branches and related undertakings is the basis for the definition of the appropriate college composition.</p> <p>There is a reference to article 248 (3) of the Solvency II Directive in the</p>

				<p>explanatory text to GL 3.</p> <p>GL 3 does not intend to override the provisions laid out in this regard by the Solvency II Directive or the Implementing Measures.</p>
25.	FECIF	Guideline 3	The supervisor cannot undertake compulsory measures towards third party countries.	<p>Noted</p> <p>GL 3 only addresses the participation of third-country supervisors in colleges and do not provide “compulsory measures” applicable to them since third countries are not subject to EU law.</p>
26.	Swiss Insurance Association (SIA)	Guideline 3	In the impact assessment covering guidelines 1 to 3, it is not correct to state that there is no impact on the industry of these guidelines as the process of establishing who will be a member will affect the dynamics, logistics and the indirect costs for the insurance group (e.g. in terms of less efficiency) associated with the college.	<p>Disagreed</p> <p>See answer to comment 24.</p>
27.	IRSG	Guideline 4	<p>There is a strong agreement to include third-country host supervisors of major operations of an EU insurance group in the activities of the College. Particularly, supervisors from EU candidate countries such as Macedonia, Montenegro, Serbia or Turkey should be encouraged to actively participate in Colleges.</p> <p>However, it might happen that some third-country authorities might be reluctant to attend College meetings and will perhaps not provide access to their data (for example, due to disclosure of commercially sensitive information). In this respect, one of the most basic questions to be considered is how to ensure that information and data are treated on a confidential basis. This might be even more important for the third-country supervisors in order to ensure their full trust and cooperation.</p>	<p>Partially Agreed</p> <p>Each Member State is bound by legal requirements for professional secrecy defined in the Solvency II Directive. Reference to professional secrecy requirements (Articles 64 to 70 of the Solvency II Directive) are made in GL4.</p>

			Article 66 of Directive 2009/138/EC is in this regard fairly short and vague. Therefore, the confidentiality safeguards and mechanisms should be more precisely laid out in the guidelines.	
28.	CFO Forum – CRO Forum	Guideline 4	<p>First comment: We fully support the need to ensure that information exchanged between supervisors is subject to professional secrecy rules and the group supervisor should be held responsible for ensuring this is the case.</p> <p>Second comment: Guideline 4 requires that third country supervisors sign the coordination agreement and adhere to professional secrecy requirements. As a consequence, there appears to be no grounds to treat them differently to members of the college. Moreover, it could well be the supervisor of a third country subsidiary that is significant within the group, and where this is the case, formal memorandum of understanding should be agreed with regulators in third countries to ensure that all coordination requirements are met. Such distinction also does not fit within the context of international efforts to enhance the cooperation and coordination within supervisory colleges, in particular the work around IAIS ComFrame which, apart from the group supervisor, envisages equality of all supervisors participating in the college.</p>	<p>First comment: Noted See answer to comment 27.</p> <p>Second comment: Noted Regarding the role of third country supervisors as participants in colleges, see answer to comment 16.</p> <p>Furthermore, GL 4 second paragraph provides that “if the third-country supervisory authorities cannot provide their consent to the coordination arrangements, including compliance with professional secrecy requirements, the group supervisor should adapt the organisation of the college accordingly in a way that confidentiality and professional secrecy are ensured in all circumstances.”</p>
29.	FECIF	Guideline 4	Unless there is a list of non-cooperative-neutral-cooperative countries disclosed (as was made available for the so-called tax havens), we do not feel that these invitations will be quite efficient.	<p>Disagreed The aim of the invitation of third country supervisors is to achieve an efficient</p>

				exchange of information and a better understanding of the risk of the group.
30.	Insurance Europe	Guideline 4	What about a parent undertaking situated in a third country, but with a subgroup within the EEA? Are they also invited to join the College for the subgroup? This scenario should be clarified.	Noted This is not the purpose of these guidelines. Subgroup supervision is addressed in GL 5 of the guidelines on group solvency.
31.	International Underwriting Association of London	Guideline 4	Does third-country supervisor include both: 1) regulators of third-country firms with subsidiaries in the EEA; and 2) regulators of third-country firms which are subsidiaries of EEA firms?	Noted As long as they are related undertakings, third-country supervisory authorities can be invited. Please refer to the definition of related undertakings in Article 212(1)(b) of the Solvency II Directive.
32.	Swiss Insurance Association (SIA)	Guideline 4	First comment: As noted above, if in accordance with Article 338(2) of the draft Solvency II Delegated Acts, third country supervisory authorities have been invited to participate in the College they become members of the College of supervisors and the phrase “as participants” in the first sentence should be deleted. Second comment: On a separate point, the reference to third country supervisors being required to sign coordination arrangements and adhere to professional secrecy requirements should be linked to the requirements on exchanges of information between supervisors as set out in Articles 253 and 295 of the Solvency II Directive.	First comment: Disagreed See answer to comment 16. Second comment: Disagreed The correct link is to Art. 66 of the Solvency II Directive while Article 253 and 295 address other type of confidentiality issues from Member States.

33.	IRSG	Guideline 5	<p>First Comment: It would be useful for EIOPA to say something about its experience with the application of confidentiality and professional secrecy rules by third-country supervisors. EIOPA might also want to indicate which role it intends to play in this respect.</p> <p>Second comment: On a related note, discussions and decisions of the College should be properly documented and securely stored. These documents should be made available to the insurance group as appropriate.</p>	<p>First comment: Noted The purpose of these guidelines is to ensure common, uniform and consistent application of Union law and EIOPA's experience in this domain could not be inserted in these guidelines. However GL 5 and paragraph 7 of the coordination arrangements template take into consideration EIOPA's experience.</p> <p>Second comment: Agreed The issue of documentation of decisions and feedback to group is addressed in GL 11, GL 25 and in paragraph 8.1 of the coordination arrangements template (the college has to decide how decisions will be documented and recorded).</p>
34.	CFO Forum – CRO Forum	Guideline 5	This guideline allows members of the college to raise issues relating to confidentiality or professional secrecy of third country supervisors. While it would be difficult to argue that the assessment that a third country's professional secrecy regime is a one-time only assessment, this guideline creates the risk that the professional secrecy equivalence assessment is open to frequent challenge and could undermine the engagement of third country supervisors in the college. We should suggest that issues should only be raised when	<p>Partially agreed</p> <p>The text was amended as follows:</p> <p>When a member or a participant of the college is aware of any confidentiality or</p>

			they would materially affect (i.e. change) the previous decision on professional secrecy equivalence.	professional secrecy issue which may have a negative impact on the assessment of a third-country supervisory authority's professional secrecy regime, previously considered-equivalent, it should provide the relevant information to the other members and participants, as soon as possible.
35.	FECIF	Guideline 5	If the level of secrecy varies, then the whole process is havoc.	Noted
36.	International Underwriting Association of London	Guideline 5	Guideline 5 is essential in our view. Leakage of information through a third country would make global supervision unworkable. Furthermore, we suggest that it might be useful to specify the need for full adherence to EEA rules of professional secrecy.	Disagreed This issue is regulated by the Solvency II Directive itself, which requires the professional secrecy regime of the third country to be equivalent.
37.	Swiss Insurance Association (SIA)	Guideline 5	This guideline allows members of the college to raise issues relating to confidentiality or professional secrecy of third country supervisors. We accept that the Solvency II assessment of a third country's professional secrecy regime is not a one off assessment, but consider that this guideline risks the professional secrecy equivalence assessment being open to frequent challenge and could undermine the engagement of third country supervisors in the college. We suggest that issues should only be raised when they would materially affect the previous decision on professional secrecy equivalence.	Partially agreed See answer to comment 34.
38.	CFO Forum – CRO Forum	Guideline 6	We agree that after finalising the mapping of the insurance or reinsurance group, the group supervisor should schedule the initial meeting of the College of supervisors. In the cases of existing Colleges, the group supervisor should assess whether the mapping complies with the EIOPA guidelines. Colleges need clear structures for	Noted The mapping of groups should in any case comply with EIOPA guidelines.

			decision making – group supervisor versus local supervisor versus full college and EIOPA.	
39.	Insurance Europe	Guideline 6	<p>First comment: The explanatory text should be added to the Guideline since it adds relevant information.</p> <p>Second comment: Exemption needed for Guideline 7 for Colleges already in place – they do not need an agenda for the initial meeting.</p>	<p>First comment: Disagreed</p> <p>Proportionality is an underlying principle to all guidelines. Therefore there is no need to add explanatory text to the guideline.</p> <p>Second comment: Agreed</p> <p>The following text was added to the explanatory text of GL 6 was added: “Guideline 6 does not apply when a college is already in place”.</p>
40.	CFO Forum – CRO Forum	Guideline 7	We agree that the Group supervisor sets the agenda of the initial meeting as proposed. In doing this, there should be a three-way communication between group supervisor, the other supervisors in the College and the insurance group. In general, we consider that colleges could be organized more effectively in terms of governance, work plan, meeting frequency, information sharing between college members and feedback to the Group.	<p>Agreed</p> <p>We agree on the involvement of other supervisors and the group when relevant. GL15 was revised to require the group supervisor to provide the draft agenda of the meetings to the group when relevant.</p>
41.	Insurance Europe	Guideline 7	Explanatory text for this Guideline should either be added to Guideline 6 or this Guideline since it adds relevant information.	<p>Disagreed</p> <p>The title and the content of GL 7 explicitly refer to an initial meeting of the college.</p>

42.	CFO Forum – CRO Forum	Guideline 8	We agree that the proposed coordination arrangement template can help the group supervisor to set up the operations of the supervisory college in terms of responsibilities of the group supervisor and confidentiality of communication. For the functioning of the supervisory colleges, it is important that there are clear structures for decision making in place and we propose that decisions should be reached within 1 month. Insurance groups need to be able to rely on the decisions made for their own operations. EIOPA should be proactively involved by ensuring a consistent interpretation of S II, but any use of binding mediation powers by EIOPA should be exceptional.	Disagreed We disagree that all decisions should be reached within 1 month. It depends on the type of decisions. Flexibility is ensured in the coordination arrangement regarding consultation and decision-making processes.
43.	FECIF	Guideline 8	The fact that all is written in English poses a number of questions. The governing law of English speaking and Nordic countries remarkably differs from latin's.	Disagreed The guidelines maintains a hitherto practice in this regard, which has proven to be effective.
44.	Insurance Europe	Guideline 8	<p>First comment: It is unclear from which date the 6 months of agreement and signing of the coordination starts from? Is it from the date when members receive the proposal for the coordination arrangements which is at least four weeks in advance of the first meeting according to Guideline 7? Or does the 6 months count from the day of the actual meeting when the coordination arrangements are presented? Clarification needed.</p> <p>Second comment: If the coordination arrangements are drafted in another language than English, wouldn't this require that a person at EIOPA would be able to understand the languages being applied? Otherwise it is not entirely clear how EIOPA could monitor the group without understanding the document laying down the coordination</p>	<p>Fist comment: Agreed GL 7 is amended in the following way: "The group supervisor should circulate the initial proposal for the coordination arrangements of the college at least four weeks in advance of the meeting, in order to initiate the six-month period referred to in Guideline 8."</p> <p>Second comment: Noted The coordination arrangements template will be translated officially into all Member States</p>

			<p>agreement? Furthermore, if the relevant documents are then translated into English there is a risk that there might be a discrepancy between the original version and the English version – which version prevails?</p> <p>Third comment: Furthermore, the explanatory text sets out that if necessary, each authority is responsible for translating the coordination agreement into its own language. How is consistent translation ensured?</p>	<p>languages as it is an annex of the guidelines. Consequently there will be an official versions in all Member States’ languages. EIOPA will have sufficient language expertise to supervise cases where the arrangements will be drafted in a language other than English.</p> <p>Third comment:</p> <p>The coordination arrangement template will be translated officially in all Member States languages as it is an annex of the guidelines.</p> <p>The explanatory text is based on presumption that certain parts of the template will be amended or added in order to address the needs of a particular college. Translation of those parts of the coordination arrangements does fall into the responsibility of EIOPA.</p>
45.	Swedish Society of Actuaries (SSA)	Guideline 8	1.19 paragraph 1: Replace “he” with “the group supervisor”.	Agreed
46.	Swiss	Guideline 8	Consistent with our general comments that there should be a single	Partially agreed

	Insurance Association (SIA)		group supervisor globally, there should be a single coordination arrangement drafted by the group supervisor. In the case of a group headquartered in the equivalent third countries, this would be the third country group supervisor.	<p>This remark goes beyond the scope of operational functioning of colleges in the EEA.</p> <p>Please refer to GL 5 of the guidelines on group solvency on the levels of supervision in case of group from equivalent third countries.</p>
47.	IRSG	Guideline 9	The following wording should be considered to be included as well: "The College's structure should be regularly reviewed so that its design remains valid for the insurance groups as they develop over time."	<p>Noted.</p> <p>The issue is already covered in the second paragraph of GL 1.</p>
48.	CFO Forum – CRO Forum	Guideline 9	<p>First comment: National supervisors are accountable for legal entity supervision in their jurisdictions and group supervisors will be accountable for group supervision. Sub group supervision should be as limited as possible. There may be a role for specialized teams to discuss specific topics, but the distinction between specialized teams, sub colleges and sub group supervision should be made clear. This is linked to the key point that we highlighted in our covering letter.</p> <p>Second comment: In Switzerland, college meetings have historically included workshops which are part of the company session of the meeting and which focus on specific topics or regional issues. The regional workshops give supervisors from that region and the company better insight in the topics of importance. The workshops provide an interactive way of discussing topics and addressing interests.</p> <p>Third comment: On a drafting point, the heading of the guideline refers to Organisational structure and specialized terms, the paragraph refers however to specialised teams. From the text it is</p>	<p>First comment:</p> <p>Agreed</p> <p>Specialised teams dealing with regional matters are now provided as an example in the explanatory text of GL 9.</p> <p>Second comment: Noted</p> <p>Third comment:</p> <p>Agreed</p> <p>The typo has been</p>

			clear that specialized teams is meant, so this seems to be an error or typo in the text.	corrected.
49.	FECIF	Guideline 9	It is of paramount importance that IFAs form in each and every country a specialised PERMANENT team, if not, de facto, a College member.	Disagreed According to Solvency II Directive only supervisory authorities are college members.
50.	Swiss Insurance Association (SIA)	Guideline 9	<p>First comment: Guideline 9 foresees the possibility to create specialised teams in the college for certain workstreams or projects. We do not support any suggestion of formalised sub-colleges, but providing they are sufficiently flexible consider that specialised teams could be an alternative approach as has been seen in Switzerland.</p> <p>Second comment: The college meeting chaired by FINMA includes workshops or break-out sessions, which are part of the company session of the meeting and which are attended by part of the college members. FINMA has developed this practice over time. It started with themed workshops, on themes such as challenges of the low interest environment, intra-group transactions or investment management, and now also includes regional workshops, in which several issues are discussed from a regional perspective. The regional workshops give the supervisors from that region and the company better insight on topics which are of importance to the supervisors in the respective region. The workshops generally help to give members of the college a better understanding of the group, which is useful background for their national supervisory tasks and make the college meeting more interactive because they facilitate to discuss topics in smaller groups and address different interests.</p> <p>Third comment: We also recommend splitting this guideline into two</p>	<p>First comment: Partially agreed The explanatory text of GL 9 makes reference to specialised teams rather than sub-colleges. The reference to colleges of sub-groups has been removed from the explanatory text of GL23.</p> <p>Second comment: Noted It can be further developed rather as a good practice.</p> <p>Third comment: Disagreed</p>

			separate guidelines. One considering the organizational structure of the college and introducing the concept of specialized teams. The second guideline considering the membership of specialized teams and how the work of this team should align with the college workplan, avoid duplication and enhance group and solo supervision through the coordination of specialized teams as part of the global college structure.	There is no need to split of GL 9 into two guidelines. The membership of specialised teams should be specified in good practice.
51.	IRSG	Guideline 10	<p>One could consider to add the following additional tasks for the group supervisor :</p> <p>“j.) facilitate communication between the College and the respective insurance (reinsurance) group</p> <p>k.) inform the respective insurance (reinsurance) group about the structure of the College”</p>	<p>Disagreed</p> <p>The issue of communication with the group is addressed in GL 15.</p>
52.	CFO Forum – CRO Forum	Guideline 10	<p>First comment: The work plan of the college should be drafted in cooperation with the insurance group and should be shared well ahead with the supervised undertaking. This would increase transparency and understanding and enable the insurance group to prepare adequately. This benefits both the group and colleges.</p>	<p>First comment: Disagreed</p> <p>The college work plan is a tool for increasing efficiency and effectiveness of the complex task of cross-border group supervision. As a supervisory document it is meant for and developed by the group supervisor with the help of the college. The group will be asked for input if needed (see revised explanatory text of GL 15).</p>

			<p>Second comment: Furthermore, there should be alignment between the tasks of the group supervisor mentioned in these guidelines, the coordination arrangement format and the directive.</p>	<p>Second comment: Agreed</p> <p>The tasks of the group supervisor in Annex 1, paragraph 6 and GL 12 have been aligned.</p>
53.	Insurance Europe	Guideline 10	<p>First comment: The list in this Guideline should not be exhaustive. Therefore, we propose to redraft in the following way: "to this end it should, at least:"</p> <p>Second comment: The work plans should be aligned to ensure that they do not create more work than foreseen. Any difference should be justified to ensure transparency.</p>	<p>First comment: Agreed</p> <p>The list is not exhaustive (see revised GL 10).</p> <p>Second comment: Disagreed</p> <p>In general, every supervisory authority is assigned with certain tasks (group supervision, solo supervision). Each supervisory authority will plan its work independently, on the basis of its tasks. The group supervisor will coordinate all tasks necessary for group supervision. Nevertheless the group supervisor is not legally in a position to intervene in other authorities' supervisory plans.</p>
54.	Swiss Insurance Association	Guideline 10	<p>First comment: Guideline 10 sets out the tasks of group supervisor in relation to the College. Most of the tasks mentioned relate to the management of the supervisory college. However, task b), carrying</p>	<p>First comment: See revised guideline.</p>

	(SIA)		<p>out the group supervisory review process, is more general and already flows from Article 248 of the Directive. Given that the focus of the guidelines on the operational functioning of the college, we would suggest deleting this task from the list. We would also support a cross reference to the tasks attributed to the group supervisor in Article 248.</p> <p>Second comment: The description of tasks in the coordination arrangement (section 6) should be identical to the description in the Directive and guidelines.</p> <p>Third comment: There should be a clear reference to the dialogue with the group in Guideline 10. An important task of the group supervisor is to maintain the dialogue with the group on activities of and decisions by the colleges. The participation of the insurance group in parts of the college meeting helps facilitate information exchange and discussion between the group and the college. This could be reflected in guideline 10 for example by including the insurance group in point g) in terms of who will be informed about the College meeting..</p>	<p>Second comment: Agreed</p> <p>The tasks of the group supervisor in Annex 1, paragraph 6 and GL 12 have been aligned.</p> <p>Third comment: Disagreed</p> <p>The communication between the group supervisor and the group is dealt with in GL 15. The nature and complexity of this communication is driven by the principle of proportionality.</p>
55.	CFO Forum – CRO Forum	Guideline 11	<p>Insurance groups should also be included in the circulation list of the draft college agenda for comment. Involving the supervised undertaking in the drafting of the agenda will allow for a more informed discussion and ensure that an appropriate amount of time is reserved for the insurance group to present and discuss major developments. Requests for input should be via the group holding company in order to avoid duplication. This all supports the aim of improving understanding, cooperation and transparency.</p>	<p>Partially agreed</p> <p>Communication with the group is addressed in GL15 (see revised GL15).</p>
56.	FECIF	Guideline 11	<p>No timeframe is set up for the draft agenda, which could lead to bottlenecks, either voluntarily or not.</p>	<p>Disagreed</p> <p>This reflects the principle of proportionality with</p>

				<p>regard to the organisation of colleges. Colleges can consist of only 2 or more than 40 authorities. A fixed timeframe will consequently fit only for an average sample of colleges. Colleges can define an individual timeframe e.g. with regard to the circulation of agenda and documentation within their coordination arrangement.</p>
57.	Swiss Insurance Association (SIA)	New Guideline 10bis	<p>As noted in our general comments, we would welcome an additional guideline recognising the involvement of the group in the operational functioning of the college and the benefits in terms of understanding and trust that this involvement can bring.</p> <p>Our proposal for a new guideline would be as follows:</p> <p>"Guideline 10bis: Involvement of the Insurance Group in the functioning of the College</p> <p>The group supervisor should invite the participation and engagement of the Insurance Group in parts of a meeting of the College to present on topics relevant to the college including such areas as group performance and strategy, changes to the group structure, emerging trends and other relevant topics to be agreed between the group supervisor, the Insurance Group and other members of the College.</p> <p>The Insurance Group should be consulted on the agenda for the part of the meeting in which it participates.</p> <p>Where the Insurance Group is asked to provide information to facilitate the supervisor only part of College meetings, the group supervisor should provide the Insurance Group with the background to the information request.</p>	<p>Partially agreed</p> <p>Please see response to comment 55. Communication with the group is addressed in GL15 (see revised GL15). However, the group cannot expect a disclosure of the entire work plan of the college (see response to comment 58).</p>

			<p>The work plan should be made available to the Insurance Group to allow it to plan for forthcoming on site inspections.</p> <p>The group supervisor should provide oral and written feedback to the insurance group following the College meeting on the input provided by the Insurance Group, any decisions taken and key action points.”</p>	
58.	CFO Forum – CRO Forum	Guideline 12	<p>We are supportive of creating a work plan at group level, which is coordinated with the local supervisors. We would welcome sharing the work plan, especially with regards to on-site reviews, with the insurance group. This would be very beneficial for the undertaking in terms of planning activities and ensuring the appropriate resources for on-site reviews. Every effort should be made to ensure that the local and group work plans align and complement each other and avoid duplication.</p>	<p>Noted</p> <p>The work plan is a tool for increasing efficiency and effectiveness of the complex task of cross border group supervision. As a supervisory document it is meant for and developed by the group supervisor with the support of the college. The group will be asked for input if needed. If a group would like to have a feedback regarding the supervisory work plan it is to approach the group supervisor on a case by case basis.</p> <p>In general, every supervisory authority is assigned with certain tasks (group supervision, solo supervision). Each supervisory authority will plan its work independently, on the basis of its tasks. The group supervisor will coordinate</p>

				all tasks necessary for group supervision. Nevertheless the group supervisor is not legally in a position to intervene in other authorities' supervisory plans.
59.	FECIF	Guideline 12	It is not clear whether the College work plan publishes its conclusions yearly, or not. We feel that a yearly report is the minimum compliance it should perform in order to reassure the public in its supervision role and clearance.	Disagreed The work plan is a tool for increasing efficiency and effectiveness of the complex task of cross-border group supervision. As a supervisory document it is meant for and developed by the group supervisor with the help of the college. The group will be asked for input if needed. If a group would like to have feedback regarding the supervisory work plan it is to approach the group supervisor on a case by case basis.
60.	Swiss Insurance Association (SIA)	Guideline 11	Guideline 11 and the explanatory text do not mention communication of agenda topics with the insurance group. It is in the interest of both the group and the college to inform the group well in advance of the topics of interest for the college meeting so that the group's management, in cooperation with local management, can adequately prepare for the part of the College meeting in which it will participate and if the group is asked to provide information to support the discussion on the supervisor only part of the meeting.	Partially agreed It is not necessary to disclose the draft agenda to the insurance group but only the relevant agenda points where input is expected from the group. See revised GL 15.

61.	CFO Forum – CRO Forum	Guideline 13	Regarding communication we would ask supervisors to ensure that information is shared appropriately in order to avoid any duplicative requests. Furthermore we would welcome the introduction of exchange platforms, which would also allow companies access to relevant information, in order to avoid too much data transfer and to ensure data security.	Noted IT platforms are to be used for the sharing and exchange of information among supervisors. (undertakings are not allowed to get access to these platforms)
62.	Swiss Insurance Association (SIA)	Guideline 12	The guideline clarifies that a group work plan should not undermine the need for a local work plan. It would also be helpful for the guideline to clarify that the local work plan is for the purposes of legal entity supervision only in order to ensure a clear delineation between group and solo supervision. Every effort should be made to ensure that the local and group work plans align and complement each other.	Partially agreed GL 12 underlines that existence of a college work plan cannot prevent particular supervisors from elaborating their own supervisory plans. As regards relation between the college work plan and individual supervisory work plan, see revised explanatory text to GL 12. See also a response to comment 58.
63.	CFO Forum – CRO Forum	Guideline 14	The supervisory review process is one of the most important and powerful processes for supervisors. Data relied upon as well as conclusions made should be transparent and the reasoning clear for all the college members, in order to avoid misunderstandings and different interpretations or requests. In addition, it could be considered whether minutes from the college could be shared with the firm, along with verbal feedback.	Noted Communication with the group is addressed in GL15.
64.	FECIF	Guideline 14	For those who participate it is paramount that effectively supervision does not result in disproportionate and excessive administrative burden.	Noted

65.	Insurance Europe	Guideline 14	Clarification is needed as to what does "when relevant" refer to?	<p>Agreed</p> <p>Explanation has been added to the last paragraph the explanatory text: it is referred to the relevance and materiality of the risks of the branch or undertaking towards the group.</p>
66.	IRSG	Guideline 15	The insurance group should be informed on a regular basis about the relevant outcomes of the College by the group supervisor. This should be done in a timely manner and preferably in both face-to-face and written formats. The group supervisor should meet with the management of the insurance group and debrief the management about the activities and outcomes of the College.	<p>Noted</p> <p>Communication with the group is addressed in GL 15. The explanatory text covers in particular the issue of follow-up to meetings.</p>
67.	CFO Forum – CRO Forum	Guideline 15	<p>First comment: With regards to communication with the supervised insurance groups we would like to highlight the following principles:</p> <ul style="list-style-type: none"> - Avoid duplication - All communication to the group on relevant topics should be done via the holding company and requests should come from the group supervisor - Data efficiency – Data which has already been reported to the supervisors should not be requested again - Transparency – Reports about the group, especially those where some consolidation has been done, should also be shared with the insurance group, in order to ensure transparency as well as have a double check with regards to the result. 	<p>First comment:</p> <p>Partially agreed</p> <p>As regards the first bullet, first two paragraphs of GL 15 have been amended in order to provide clear lines of communication.</p> <p>As regards the second bullet, this issue is out of scope of these guidelines, as it refers to effective communication with the group and solo undertakings in general.</p> <p>As regards the third bullet,</p>

			<p>Second comment: Sufficient time should be reserved in the college for the presentation of the insurance group as well as Q&A sessions.</p> <p>Third comment: The first paragraph may not be consistent with the Solvency II Directive or draft delegated acts which place responsibility for the collection of information and dissemination of group information with the group supervisor. We should request the first paragraph be amended to make clear that only the group supervisor can request information from the participating (re)insurance undertaking or holding company in line with the second paragraph that clearly states that the group supervisor is responsible for communication with these entities.</p> <p>Fourth comment: We would welcome the broadening of this guideline to also include the coordination of information requests between different regulators, including third country regulators.</p>	<p>the explanatory text addresses transparency issues to the appropriate possible extent.</p> <p>Second comment: Agreed</p> <p>See revised explanatory text of GL 15 where presentations and questions and answers sessions are mentioned.</p> <p>Third comment: Agreed</p> <p>Please see revised GL 15, with a relevant principle provided for in the first paragraph.</p> <p>Fourth comment: Partially agreed</p> <p>Cooperation with third-country supervisors is covered by GL 4 and 5. See also explanatory text to GL 3. The definition of participants has been amended. Also, where relevant, explicit references to cooperation</p>
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				and information exchange with third-country supervisors have been provided (see explanatory text to GL 3).
68.	Insurance Europe	Guideline 15	<p>First comment: The third paragraph deals with periodical meetings between the College and the administrative, management, and supervisory body of the participating undertaking. In the explanatory text additional meetings are envisaged with representatives of the group. It would be more appropriate not to specify in the GL that meetings periodically should be held with the administrative, management and supervisory body, and replace it with representatives of the group. This would give supervisors more flexibility.</p> <p>Second comment: The scenarios described in Article 247(b)(iv) and (v) of the Directive seem not to be covered by this Guideline. Clarification is requested as to who should be invited to the meeting if the group supervisor is not at the level of the (mixed financial) holding.</p>	<p>First comment: Partially agreed</p> <p>The text “or a representative of any relevant entity that is part of the group” was added to the GL.</p> <p>Second comment: Agreed</p> <p>The guideline is broadened to cover the possibility for any relevant representative of any relevant entity of the group to take part in the college meetings.</p>
69.	International Underwriting Association of London	Guideline 15	We welcome very much the proposals in Guideline 15. Firms deserve not to receive several times the same request in different shapes and forms. Clarity about lines of communication is also essential, so that similar dialogues do not take place contemporaneously without co-ordination. Feedback from the supervisors to the firms is also essential and we would suggest that a note of each meeting, suitably drafted to omit confidential discussions, should be made available to the re/insurance group.	<p>Noted</p> <p>It is important to have a permanent dialogue with the group; it is up to the group supervisor to decide on the feedback to be provided to the group.</p>
70.	CFO Forum – CRO Forum	Guideline 16	With regards to the consultation process we support a structured approach, on the other hand it is not fully clear for which requests	<p>Agreed</p> <p>Please see revised GL 16</p>

			<p>this process applies; for certain requests it could be overly time consuming. Should this be seen only as the consultation process which applies in cases where no agreement can be found as mentioned in Art 248 of the SII directive.</p>	<p>and its explanatory text. It was clarified in the title of the guideline that the consultation process takes place within the college and in the explanatory text the different types of consultation processes were referred to.</p>
71.	FECIF	Guideline 16	<p>Consultation could still end in diktat, and could jeopardise any further democratic consultations. Indeed there is no provision to take into account all comments made in the consultation process. Furthermore, no consensus possibility is left open, as the College is ultimately only bound to disclose the reasons to deviate from these (i.e. participants) opinions.</p>	<p>Noted</p> <p>Pursuant to the Solvency II Directive, a final decision, after consultation, is taken by a responsible supervisory authority.</p>
72.	Insurance Europe	Guideline 16	<p>First comment: This Guideline is confusing. What sort of consultation process is referred to? Is it a consultation process within the College? Please clarify.</p> <p>Second comment: Depending on the response to the above, clarification is needed for what "supervisory authorities concerned" is referring to.</p>	<p>First comment:</p> <p>Agreed</p> <p>Please see revised GL 16 and its explanatory text. It was clarified in the title of the guideline that the consultation process takes place within the college and in the explanatory text the different types of consultation processes were referred to.</p> <p>Second comment:</p> <p>Noted</p> <p>"Supervisory authorities"</p>

			<p>Third comment: Explanatory text 2.14 could be included in the Guideline as it gives a relevant overview of who has the initiative.</p>	<p>concerned” is a term used in the Solvency II Directive. The term is not defined but as it is clarified in the coordination arrangements template (paragraph 8.1), supervisory authorities concerned within the college may be different depending on the issue.</p> <p>Third comment: Disagreed</p> <p>This explanatory text is basically a repetition of the provisions of the Solvency II Directive and provided only for clarification.</p>
73.	Swiss Insurance Association (SIA)	Guideline 15	<p>The first paragraph of this guideline could be read as giving all college members the right to request information from parent companies. This risks significant bureaucracy, duplication and would not be consistent with the Solvency II Directive or draft Delegated Acts which place responsibility for the collection of information and dissemination of group information with the group supervisor. The first paragraph should be amended to clarify that only the group supervisor can request information from the participating (re)insurance undertaking or holding company in line with the second paragraph that clearly states that the group supervisor is responsible for communication with these entities.</p>	<p>Agreed</p> <p>The second paragraph has been moved as the first one, as it provides a general principle. The first paragraph has been moved as a second one, and its aim is to prevent duplication of information requests.</p>
74.	FECIF	Guideline 17	<p>These should not apply to IFAs.</p>	<p>Noted</p> <p>Capital add-on may be imposed only on the Solvency Capital</p>

				Requirements of an insurance or reinsurance undertaking or on the consolidated/aggregated Solvency Capital Requirement of an insurance group, according to the Solvency II Directive.
75.	Insurance Europe	Guideline 17	In first sentence it could be clarified that it is the supervisory authority of the related undertaking that should inform the group supervisor.	Agreed GL 17 has been revised in the following way: "The supervisory authority responsible for the supervision of an insurance or reinsurance undertaking that is part of the group should inform the group supervisor..."
76.	Swedish Society of Actuaries (SSA)	Guideline 17	The title "Communicating with the group supervisor before setting a capital add-on of a related undertaking" should also refer to the "removal of a capital add-on" (to be consistent with the ITS on capital add-ons).	Disagreed The title reflects the content of the GL 17, which refers to informing about identification of issues which can constitute a basis for imposition of capital add-on.
77.	FECIF	Guideline 18	These should not apply to IFAs.	Noted Capital add-on may be imposed on the Solvency Capital Requirements of an insurance or reinsurance undertaking or on the consolidated/aggregated

				Solvency Capital Requirement of an insurance group, according to the Solvency II Directive.
78.	Swedish Society of Actuaries (SSA)	Guideline 18	The title should relate to Directive, DA and ITS on capital add-ons to investigate whether also this title should cover removal of capital add-ons, as it refers to the group capital add-on.	Disagreed The title reflects the content of the GL 18, which refers to informing about identification of issues which can constitute a basis for imposition of capital add-on.
79.	IRSG	Guideline 19	It is agreed that Colleges themselves should come up with a list of ratios which are meaningful for their work. However, the list of ratios included in Annex 2 on page 39 is too descriptive, fairly general and sometimes lacking precision. Therefore, the entire list of ratios should be either dropped or it should be made clear that the table is presented only for illustration purposes.	Noted GL 19 was removed from those guidelines. It will be inserted in a separate set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way.
80.	CFO Forum – CRO Forum	Guideline 19	First comment: In determining the list of ratios and other selected data the supervisors will exchange, supervisors should use information that they already have received as a result of existing regulatory reporting requirements. The ratios decided on should have a demonstrable value for trend analysis and the fostering of dialogue between among supervisors in the fulfilment of their regulatory objectives, and between the College and the insurance group. The ratios listed in Annex 2 should serve as a suggestion and should be tailored appropriately for the circumstances of each specific group.	First comment: Noted See response to comment 79. Second comment: Noted

			<p>Second comment: We would welcome the formalisation of memorandums of understanding and Coordination Arrangements regulators in third countries, so that this information may also be exchanged with them, particularly where the third country subsidiary is significant in the context of the group.</p>	<p>This issue is already addressed in the coordination arrangement template, paragraph 7, subparagraph "Information exchange" as well as in GL 4.</p>
81.	Insurance Europe	Guideline 19	<p>It is difficult to give comments on a Guideline that refers to an ITS that will not be consulted until the end of 2014. To be able to give appropriate comments the guidelines should be consulted in conjunction with the relevant ITS to ensure consistency.</p>	<p>Noted</p> <p>GL 19 will be inserted in new set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way.</p>
82.	CFO Forum – CRO Forum	Guideline 20	<p>We agree with this procedure, as above it would be helpful to have formal memorandums of understanding and Coordination Arrangements with third countries.</p>	<p>Agreed</p> <p>Third-country supervisory authorities participating in colleges will be signing the coordination arrangements (please refer to GL 8).</p>
83.	Insurance Europe	Guideline 20	<p>There is a reference to the Delegated Acts which are not finalised yet, hence it is not possible to provide final comments on this guideline until the final DA's are known.</p>	<p>Noted</p> <p>Other solution was not possible due to a schedule of works on Solvency II project.</p>
84.	Swiss Insurance Association (SIA)	Guideline 19	<p>It should be clarified that information to be systematically exchanged should re-use information that has already been provided, be relevant and specific to the group and that the group supervisor is responsible for preparation of this information. It is important that the ratios listed in Annex 2 be tailored to nature of the group's business and its individual circumstances and serve as a suggestion</p>	<p>Noted</p> <p>GL 19 will be inserted in a separate set of guidelines, which will address exchange of information on</p>

			(not a minimum) that should be tailored to the trends and information that will be relevant for the college and group supervisor.	a systematic basis within colleges in a more comprehensive way.
85.	CFO Forum – CRO Forum	Guideline 21	Formal arrangements for dealing with on-site inspections are welcomed and more detail could be provided on the organisation of these inspections and who bears responsibility for the privacy of information once the on-site examination is finished.	Noted The issue of confidentiality of information in the context provided in the comment is beyond the scope of the guidelines.
86.	FECIF	Guideline 21	This should be always the case for IFAs.	Noted Only competent supervisory authorities are involved in joint on-site examinations.
87.	Swedish Society of Actuaries (SSA)	Guideline 21	<p>In order to make GL 21 fully consistent with GL 12 and art 255 the following alternative formulation, of the first two paragraphs, is suggested:</p> <p>Any EEA member or participant of the college who wishes to verify information according to art 255 of Directive 2009/138/EC, appropriate for the supervision of the group or entities within the group, should be able to request a (1) well defined joint on-site examination, (2) after having taken into account the efficient use of supervisory resources, such as the need to avoid duplication of efforts between supervisory authorities. The information to be verified should be needed for supervisory purposes including but not limited to supplementing the off-site analysis, and taking into account the environment in which the undertakings are operating, (3) The joint examination should be part of the college work plan (see GL 12) but could also be applied to ad hoc/emergency situations.</p> <p>The supervisory authority requesting a joint on-site examination should inform the group supervisor by indicating the scope and purpose of it. The group supervisor should then notify EIOPA and</p>	Partially agreed See revised wording of GL 20 (previously 21). See also revised wording of GL 12, as regards updates and reviews of the college work plan.

			<p>other members and participants that may be (4) concerned by the issue and the outcome of the joint on-site examination. Once the participating supervisors have been identified, they should discuss and agree the final scope purpose, structure and allocation of tasks of the examination, including who is leading the on-site examination.</p> <p>Comments:</p> <p>(1) This is to align with art 255 requirement of specific cases.</p> <p>(2) This is not against the Directive and is important to consider.</p> <p>(3) Clarification and link to GL 12</p> <p>(4) "interested" is not in line with the Directive requirement.</p>	
88.	FECIF	Guideline 22	This should be always the case for IFAs.	<p>Noted</p> <p>Only relevant national competent authorities are involved in activities mentioned in these guidelines.</p>
89.	Swedish Society of Actuaries (SSA)	Guideline 22	<p>1.33 paragraph 1 "The supervisory authority of the individual undertaking should inform the groups supervisor when it will perform supervisory actions and/or examinations...".</p> <p>We suggest to rephrase the sentence as; "major supervisory actions and/or examinations", as supervisory activities could be eg. phone calls, e-mails, informal meetings. It would not be efficient to include all supervisory activities.</p>	<p>Agreed</p> <p>GL 21 (previously 22) has been revised and refers now only to on-site examinations.</p>
90.	IRSG	Guideline 23	Besides the general requirements, the document indicates that a delegation of tasks between the supervisors should be possible. This delegation should be used only in a very limited way. The national supervisor for each country should be the relevant supervisory body.	<p>Noted</p> <p>In any case, only the task can be delegated. A responsibility cannot be</p>

			Therefore, the delegation of tasks should not erode the constitutional legality of each country.	transferred from one supervisory authority to another under any circumstances.
91.	CFO Forum – CRO Forum	Guideline 23	<p>First comment: The guideline itself is not problematic but the associated explanatory text indicates that the purpose of the guideline is to allow delegation of college tasks to the sub-group supervisor. This risks reinforcing the informal creation of sub-groups and could lead to specific requests for sub-group information. In order to address this, the last sentence of the second paragraph of the explanatory guidelines should be deleted.</p> <p>The existence of a sub-group subject to sub-group supervision in accordance with Article 216 or 217 does not necessitate or justify the presence of multiple colleges of supervisors. Article 340 bis of the Solvency II draft delegated acts makes it clear that sub-group supervision in these situations should only be allowed in circumstances justified by objective specificities in the operations, organisation or risk-profile of the sub-group as compared to the group. This could be clarified in the explanatory text. This links to the key point highlighted in our covering letter.</p> <p>Second comment: The impact of this issue on the industry should be more thoroughly addressed in the impact assessment, since there is a negative impact on groups of not have a single point of contact in relation to group supervision issues.</p>	<p>First comment: Agreed Reference to college meetings concerning the sub-groups has been deleted.</p> <p>Second comment: Noted The issue of delegation of tasks is not addressed specifically in the impact assessment. The issue of specifying responsibilities between members and participants is covered though and has been seen</p>

				assessed as having a positive impact on the industry.
92.	FECIF	Guideline 23	No provision is made regarding conflict of interests or governance as reasons for sharing and delegating tasks.	Disagreed Delegation of tasks aims at assigning tasks to the party best placed to perform them. A specific link to conflict of interest or governance is not necessary.
93.	Insurance Europe	Guideline 24	Why is it always the responsibility of the Group supervisor to coordinate the delegation of tasks? If the Group supervisor does not have a mandate in the delegation wouldn't it be enough that they are informed and updated on a continuous basis?	Disagreed It is the task of the group supervisor to coordinate supervisory activities in the college, pursuant to Article 248 (1) (e) of the Solvency II Directive.
94.	Swiss Insurance Association (SIA)	Guideline 23	<p>The explanatory text to guideline 23 explains that, when part of the group is supervised on a sub-group basis, the group supervisor may delegate some tasks to a supervisory authority of the sub-group. While acknowledging the need for the supervisory authorities involved in the sub-group to coordinate with each other, the general principle of a single group supervisor should be reinforced and the last sentence of the second paragraph of the explanatory guidelines should be deleted.</p> <p>The existence of a sub-group subject to sub-group supervision in accordance with Article 216 or 217 of the Directive does not necessitate or justify the presence of multiple colleges of supervisors. Article 340 bis of the Solvency II draft Delegated Acts makes it clear that sub-group supervision in these situations should only be allowed in circumstances justified by objective specificities in the operations,</p>	Agreed Reference to college meetings concerning the sub-groups has been deleted.

			<p>organisation or risk-profile of the sub-group as compared to the group.</p> <p>The impact of this issue on the industry should be more thoroughly addressed in the impact assessment, since there is a negative impact on groups of not having a single group supervisor.</p>	
95.	Insurance Europe	Guideline 25	Perhaps a reference to points f) - h) in Guideline 24 after work plan would make it clearer what the work plan could encompass?	<p>Noted</p> <p>The elements to be included in the college work plan, as regards sharing and delegating tasks, are provided for in the explanatory text to GL 25, related to documentation of sharing and delegation of tasks.</p>
96.	CFO Forum – CRO Forum	Guideline 27	This guideline indicates that undertakings should be advised of the delegation of tasks. The group supervisor should remain responsible for communicating with parent companies in accordance with guideline 15 and the guideline should be expanded so that undertakings are provided with a clear justification for the delegation of responsibility.	<p>Partially agreed</p> <p>The general rule for communication with the parent undertaking and entities that are part of the group has been established in the first paragraph of GL 15. The explanatory text of GL 25 also includes a relevant statement.</p> <p>As regards the last part of the comment, only the task can be delegated. A responsibility cannot be transferred from one supervisory authority to another under any</p>

				circumstances.
97.	CFO Forum – CRO Forum	Guideline 28	We would recommend that the wording in the second paragraph in 1.39 is amended to make clear that the group supervisor will review the group results and if there are key concerns, highlight these at the College meeting and undertake to work with the insurance group to resolve them, providing regular updates to the College. The current wording seems to indicate that the College would duplicate activity that is the responsibility of the group supervisor which would not be appropriate.	Disagreed A proper assessment of the risk profile of the group requires involvement of the other members and participants of the college.
98.	FECIF	Guideline 28	The stress tests are only viewed towards systemic risk and failure. There should also be a provision for micro-economic risks of contamination and loss of confidence by the public. Indeed there are no provisions whatsoever regarding the limits and measures to protect the general public investments in the short and long term.	Disagreed Concerns expressed in the comment are out of scope of these guidelines.
99.	Swiss Insurance Association (SIA)	Guideline 27	Guideline 27 indicates that undertakings should be advised of the delegation of tasks. The group supervisor should remain responsible for communicating with parent companies in accordance with guideline 15 and the guideline should be expanded so that undertakings are provided with a clear justification for the delegation of responsibility.	Partially agreed The general rule for communication with the parent undertaking and entities that are part of the group has been established in the first paragraph of GL 15. The explanatory text of GL 25 also includes a relevant statement.
100.	IRSG	Annex 1 - Introduction	The drafting of the Introduction to the Annex 1 “Coordination Arrangement Template” does not read well. What is the legal basis? It is said “not to create any additional legally binding obligation on the Members and Participants”. Could it not be indicated that this is mere guidance?	Noted The introduction reflects the relevant legal provision of the Solvency II Directive and the Implementing Measures. The coordination arrangements which will be

				agreed upon and signed by supervisory authorities cooperating within colleges.
101.	FECIF	Annex 1 - Introduction	<p>First comment: Impact assessment: First it is not clear if the counterparty for this loose organisation of supervision is the lack of financial compensation for those involved, or not. If not, time is money, and in the end the customers will pay. Hence it is paramount that costs of this supervision are kept to a minimum.</p> <p>Second comment: With regard to the organisation of membership, it is utterly unacceptable that both Policy holders and the Industry are not present in each and any of the options detailed.</p>	<p>First comment: Noted</p> <p>The guidelines as well as the coordination arrangements template reflect the rules of colleges' operations as established in the Solvency II Directive.</p> <p>Second comment: Disagreed</p> <p>Impact on the policy holders and the industry is analysed where relevant. Since the guidelines are elaborated on the basis of Solvency II Directive, issues mentioned in the guidelines do create additional cost to the policyholders and the industry. It is however mentioned that more harmonised rules of supervisory cooperation within colleges have a positive impact on enhancement of policyholder protection.</p>

			<p>Third comment: Moreover, there is no provision for education. Hence there is no homogeneity in the whole EEA, resulting in different quality of advice given to the public. There is a need to pursue on the Bologna agreement and following steps outlined in the €FA (European financial Adviser) outcome as outlined on www.efa.eu.eu to ensure a level playing field amongst IFAs and other advisers as well as protection for the public.</p> <p>Both monitoring and control of education in organisations should be of paramount importance in the process of dealing with monitoring of subject participants (or not).</p>	<p>Third comment: Disagreed</p> <p>This issue is out of scope of the guidelines and the template of the coordination arrangements.</p>
102.	CFO Forum – CRO Forum	Annex 1 – 2.	<p>The list should include approval decision making process for the use of USP, Matching adjustment, ancillary own funds, set up of specialized teams and the decision for a Single ORSA report or a single SFCR.</p>	<p>Noted</p> <p>The general decision making procedure is meant for all decisions, if not provided otherwise in legal acts (for example, ITS will establish a procedure for reaching a joint decision as regards group internal models).</p>
103.	Insurance Europe	Annex 1 – 2.	<p>First comment: The first sentence of footnote 3 should be added to the list as set out under “scope”. The rest of the examples are fine to stay in the footnote.</p> <p>Second comment: What is a join visit? It is not defined and it is not clear if and where the difference is between join visit and joint on-site examination, Clarification needed.</p>	<p>First comment: Noted</p> <p>The template can be modified in order to fit the needs of a particular college, as provided for in GL 8.</p> <p>Second comment: Agreed</p> <p>The reference to “joint visits” has been removed.</p>
104.	Insurance Europe	Annex 1 – 3.	<p>Please refer to comments to Guideline 8 for question about communication language chosen.</p>	<p>Noted</p>

105.	CFO Forum – CRO Forum	Annex 1 – 6.	As noted previously, we do not support distinguishing the roles of members and participants in the College. Any decision to expand the areas where a joint decision by the College of supervisors beyond those prescribed in the Directive should involve all supervisory authorities and not exclude certain supervisory authorities termed participants, as suggested by Section 6 on 'Member and Participants'.	<p>Noted</p> <p>Distinction between members and participants is needed to provide clarity regarding the status of supervisors attending the involved in the college. Members can take part in decision processes in colleges, while participants cannot (their involvement is limited to achieving efficient exchange of information, pursuant to Article 248 of the Solvency II Directive).</p> <p>'Supervisory authorities concerned' also include the participants of the college. The word 'concerned' is used, because not all supervisors of the college are always involved in all decisions to be taken.</p>
106.	Insurance Europe	Annex 1 – 6.	<p>The list in point 6 is more or less a copy/paste of Article 248(1). Why not copy/paste the actual list from the Directive to ensure consistency and limit confusion?</p> <p>EIOPA not having voting right should be clarified in paragraph 1.2 definitions, when they are given status as a member.</p>	<p>Agree</p> <p>The college guidelines and the coordination arrangements have been aligned in this respect.</p>
107.	Swedish Society of Actuaries	Annex 1 – 6.	We suggest to replace "The group supervisor keeps members and participants, informed where relevant within....timeframe...of the actions and measures taken by members and participants" with	<p>Disagree</p> <p>The proposal is not in line with Article 248(1) of the</p>

	(SSA)		"Members and participants keep each other informed within ...timeframe...of the actions and measures taken". Group supervisor will be included in the information loop, but the burden on the GS will be reduced.	Solvency II Directive.
108.	IRSG	Annex 1 – 7.	With respect to information exchange, there is a concern that the information would flow only one way, i.e. from the host supervisor to the home (group) supervisor. What should be encouraged and highlighted more in the guideline is the need for a two-way communication between supervisors. This is of crucial importance, in particular since the strong level of mutual trust between supervisors can only be achieved if the exchange of information flows both ways.	Noted This issue is addressed by Article 357 of the Implementing Measures, which provides for the flow of information in two directions.
109.	CFO Forum – CRO Forum	Annex 1 – 7.	Third country participants should only be required to share a dataset "based on comparable information to the Implementing Technical Standard" where this information is routinely collected for other purposes. Requiring third country supervisors to change their reporting requirements in order to collect information comparable to the ITS would be extra-territorial and is unlikely to happen in practice.	Noted Each college will discuss what information should be exchanged. If information is not available for the participant the college may agree that it does not need to be provided. The possibility to acquire the information might improve over time.
110.	National Bank of Belgium (NBB)	Annex 1 – 7.	a) The first sentence of the second paragraph refers to relevant legislation. We propose to state clearly what is meant by relevant legislation. b) We propose to add the following sentence: "The transmission of information between supervisors will take into account national laws and regulations concerning professional secrecy and the existing bilateral or multilateral MoU's".	a) Agreed The text has been clarified. b) Noted The relevant references are in the explanatory text to GL 3 and 4.
111.	Swiss Insurance	Annex 1 – 6.	As noted previously, we do not support distinguishing the roles of members and participants in the College. Any decision to expand the	Disagreed

	Association (SIA)		areas where a joint decision by the College of supervisors beyond those prescribed in the Directive should involve all supervisory authorities and not exclude certain supervisory authorities termed participants, as suggested by Section 6 on 'Member and Participants'.	Distinction between members and participants is needed to provide clarity regarding the status of supervisors involved in the college. Members can take part to decision processes in colleges, while participants cannot (their involvement is limited to achieving efficient exchange of information, pursuant to Article 248 of the Solvency II Directive).
112.	CFO Forum – CRO Forum	Annex 1 – 8.	The College of supervisors should also set aside time at their meetings for discussion with the insurance group being supervised.	Noted This subject is covered in GL 15.
113.	Swiss Insurance Association (SIA)	Annex 1 – 7.	Section 7, Information Exchange third country participants should only be required to share a dataset “based on comparable information to the Implementing Technical Standard” where this information is routinely collected for other purposes. Requiring third country supervisors to change their reporting requirements in order to collect information comparable to the ITS would be extra-territorial.	Noted See response to comment 109.
114.	IRSG	Annex 1 – 8.1.	Procedure for the decision making process The Colleges should help to tackle emergency situations and help to be prepared for such events. During the recent crisis, the lack of coordination allowed supervisors to act in many cases on their own (an example is the rescue of Fortis in 2008, when the Belgian, Dutch and Luxembourg’s supervisors did not entirely coordinated their actions). In this regard, decisions will be made typically by a consensus; however there should be a mechanism created to	Noted A reference to the possibility to refer a matter to EIOPA for advice or mediation is made in paragraph 8.1.

			resolve potential disagreements. In this context, the group supervisor should play a more active role to mediate disputes between members of the College and play a mediator's role when no agreements are accomplished. Reference should also be made to the powers of EIOPA to provide binding mediation.	
115.	CFO Forum – CRO Forum	Annex 1 – 8.1.	The third bullet notes that proposals should be sent to the group where applicable. This should be further clarified that it will be appropriate to consult the group in all cases when preparing the College work plan.	Disagreed The college work plan is a document describing supervisory actions planned, therefore there cannot be a common rule for consulting the work plan with the group. However, in practice relevant parts of the work plan are often shared with the group for planning purposes, for example for IM approval purposes.
116.	Insurance Europe	Annex 1 – 8.1.	Reference to "Group" in third bullet point (where applicable, a proposal in writing is sent to the Group by the Group supervisor....) seems unclear. Who are the members and participants of this group?	Agreed It is the group supervised. Wording is to be clarified.
117.	CFO Forum – CRO Forum	Annex 1 – 8.2.	Matters that the Group supervisor should also take into account in preparing the work plan should include consideration of the existing constraints imposed on the group resources through external factors, for example through preparing for the implementation of multiple new regulations, in considering the timing and appropriateness of possible supervisory plans. Besides a definition of supervisory plan and Group supervisory plan would be helpful.	Partially agreed The relation between the college work plan and the group supervisory plan has been clearly described. Additionally, the description of the relation between the college work plan and the individual supervisory plan has been

				included at the end of the explanatory text of GL 12.
118.	Insurance Europe	Annex 1 – 8.2.	<p>First comment: The work plan should be reviewed as least annually.</p> <p>Second comment: What is the supervisory plan? What is the purpose of it and why is it not defined? Clarification needed.</p> <p>Third comment: What are “main risks”? Inconsistent use of terms. Needs clarification.</p>	<p>First comment: Noted</p> <p>GL 12 underlines that the college work plan should be reviewed at least annually.</p> <p>Second comment: Agreed</p> <p>It has been clearly mentioned whether a reference is made to the college work plan, the group supervisory plan or an individual supervisory plan.</p> <p>Additionally, the issues referring to supervisory plans will be referred to in the guidelines on the supervisory review process.</p> <p>Third comment: Agreed</p> <p>It has been specified that it refers to the main risks to which the group is exposed.</p>
119.	IRSG	Annex 1 – 8.3.	Point 8.3 describes how joint on-site examinations should be carried out. Overall, the guidance is insightful and well written. Just a minor suggestion, when joint onsite examinations are performed, the home supervisor should be the primary contact point for the insurance	<p>Noted</p> <p>The rules of communication are provided for in GL 15. The</p>

			group. This would simplify the communication process within the insurance group and reduce the translation costs.	group supervisor contacts with the parent undertaking and a relevant supervisory authority with an individual entity. This general rule refers also to issues related to joint on-site examinations.
120.	Insurance Europe	Annex 1 – 8.3.	Reference to the “ultimate participating undertaking” is confusing since the definitions as set out in Article 13 of the Directive either defines “participating undertaking” or ultimate parent undertaking”. Clarification needed as to what the “ultimate participating undertaking” is.	Agreed The term “ultimate participating undertaking” has been replaced by “the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company”.
121.	Swedish Society of Actuaries (SSA)	Annex 1 – 8.3.	Paragraph 4. We suggest the following alternative wording instead: “In most cases relevant for colleges and group supervision, the group supervisor would probably be in the lead. However, in other cases where another authority is designated as leading the joint on-site examination, the GS should be kept informed”.	Noted The relevant principles are provided for in GL 20.
122.	CFO Forum – CRO Forum	Annex 1 – 8.4.	Unclear about what the Consultation refers to in the last paragraph.	Agreed The sentence has been removed.
123.	CFO Forum – CRO Forum	Annex 1 – 8.5.	This paragraph only refers to the ITS while the coordination arrangement template should be more operational.	Disagreed The text gives a practical outline of responsibilities and tasks in the approval process.
124.	Insurance Europe	Annex 1 – 8.5.	Paragraph 2 refers to the process of reaching a joint decision which includes timelines, main steps and deliverables (as set out in Article	Noted It should be part of the

			<p>3(1) of the ITS). It is not clear if these measures should be part of the work plan?</p> <p>The last sentence in 8.1 (The opinions referred to....) is confusing and the cross reference between the ITS and the relation to a) and b) in 8.1 is not clear. What is meant with that the opinions and final views are related to the issue included in a) and b) above?</p>	<p>college work plan; the relation between the main steps and the college work plan is mentioned in the last paragraph of paragraph 8.5.</p>
125.	FECIF	Annex 1 – 8.9.	<p>It is unrealistic to ask stakeholders to fully disclose their mergers/acquisitions plans, due to the length of the mentioned consultation process as detailed in this section 8, and the number of persons involved, resulting undoubtedly in prejudicial leaks towards the strategy of the companies involved.</p>	Noted
126.	FECIF	Annex 1 – 9.	<p>As it is only a voluntary gathering of members, it is rather unclear to ascertain what will occur to a Country where no stakeholder intends to participate, or where a major stake of the market is not present in the body. At least, decisions are likely to be challenged, to start with in comparison against other Member States in the EEA...</p>	Noted
127.	FECIF	Annex 1.D - Introduction	<p>As being a Member of the Group is based, unless mistaken, on voluntary joining, the crisis procedure may be ineffective if the Member opts out before the crisis, as its requirements for disclosure will have lapsed at the time of emergency?</p>	Noted
128.	IRSG	Annex 1.D.1.2.	<p>It would be more correct to refer to "Emergency Plan for the college of supervisors of an insurance or reinsurance group". The drafting of the text can be improved. It would be better to refer to "Risk of failure of the reinsurer (external or internal)" rather than to "Danger of failure...". Similarly: "Risk of insolvency" rather than "Danger of insolvency". Which insolvency is meant?</p>	<p>Agreed</p> <p>Relevant amendments have been introduced.</p>
129.	CFO Forum – CRO Forum	Annex 1.D.1.2.	<p>First comment: Relevant competent authorities in the second paragraph should be further clarified as 'impacted relevant authorities'.</p>	<p>First comment: Agreed</p> <p>Relevant amendments have been introduced.</p> <p>Second comment:</p>

		<p>Second comment: The first bullet point under 'emergency case at group level' on page 30 should refer to the 'group MCR' rather than SCR (the following point focuses on the SCR)</p> <p>Third comment: The introduction section for the emergency plan on page 31 seems to envisage that every college member and participant would be a recipient of the plan and information concerning an emerging crisis. In a crisis situation it may be preferable to restrict the flow of information to those supervisors directly impacted, as indicated in 1.7 on page 34. This will also need to align with the functioning of Crisis Management Groups (CMGs) of the College required for Globally Systemically Important Insurers (G-SIIs) to avoid conflicting or overlapping requirements.</p> <p>Third comment: For the examples of scenarios in which an emergency alert should be given on page 32 we have the following comments:</p> <ul style="list-style-type: none"> <input type="checkbox"/> We would propose that the fourth bullet is deleted as it is not clear why the failure of a reinsurer is being singled out, if the bullet it is retained it should at least be qualified that it is the failure of an insurer or reinsurer that would have a material impact on the insurer; <input type="checkbox"/> The seventh bullet should refer to developments that 'will have a material impact', rather than 'may' impact the undertaking; <input type="checkbox"/> The eighth bullet should refer to 'critical shared IT systems'; <input type="checkbox"/> The ninth bullet is unnecessary as its impact would be felt in 	<p>Partly agreed</p> <p>The following wording has been used: "minimum consolidated group Solvency Capital Requirement".</p> <p>Third comment: Noted</p> <p>All members and participants will be recipients of the emergency plan, since the plan is to be an annex of the coordination arrangements. As regards informing about the emergency situation, impacted members and participants are to be informed, according to paragraph 1.2.</p> <p>Third comment:</p> <p>Not agreed</p> <p>The purpose of those examples is to provide an extensive and flexible list of possible scenarios.</p>
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			<p>the first two bullet points.</p> <p>In respect to the examples of emergencies at group level:</p> <p>The fourth bullet is unnecessary as its impact would be covered by the first two bullet points for individual undertakings;</p> <p>The seventh and eight bullet points would seem unnecessary for an emergency alert as they would be public information that all supervisors would have access to;</p> <p>The ninth bullet should refer to developments 'that will have a material impact', rather than 'may' as noted in our comments above.</p>	
130.	Insurance Europe	Annex 1.D.1.2.	<p>Under "Emergency case at group level" there is a bullet point about major downgrading of the undertakings rating. Not all undertakings have ratings and furthermore it is unclear which undertaking is referred to? Clarification needed.</p>	<p>Agreed</p> <p>"When relevant" has been added.</p>
131.	CFO Forum – CRO Forum	Annex 1.D.1.3.	<p>The requirement of the supervisory authorities reaching a common understanding of the cross border context of the crisis and systemic implications that may occur duplicates requirements on the group supervisors of G-SIIs who are required to understand how systemic risks are managed in those institutions and prepare plans for how they could be resolved in an orderly manner.</p> <p>The guidance needs to clarify the relationship and interaction between the college of supervisors and the CBSG as the MoU referred to requires the CBSG to assess the systemic implications of a financial crisis, therefore including this within the guidelines or at least have it as a starting point for colleges appears to be a duplication of this activity.</p> <p>Overall more clarity is required on the relationship and interaction of the college of supervisors with CMGs and CBSGs that feature in the</p>	<p>Noted</p> <p>The objective of the draft emergency plan is to facilitate supervisory cooperation in emergency situation in compliance with the Solvency II Directive.</p>

			FSB's guidance on key attributes, and the EU MoU on cross border financial stability.	
132.	Insurance Europe	Annex 1.D.1.3.	<p>First comment: What is the timeline for the crisis assessment?</p> <p>Second comment: Paragraph 3 refers to plans could usefully include a set of reporting templates. What templates are referred to? Is it the entire reporting package as set out in Article 35 of the Directive? Furthermore, what is "the plan" and what should it contain (besides a set of reporting templates)? Clarification is needed.</p>	<p>First comment: Noted The characteristic of the crisis assessment is included in paragraph 1.3</p> <p>Second comment: Noted The template can include what information should be exchanged in emergency situations including reporting templates. Annex 1.F can serve as a benchmark for the college to consider when deciding what information to exchange in emergency situations.</p>
133.	CFO Forum – CRO Forum	Annex 1.D.1.4.	It should be recognised that dialogue with the impacted insurance group will also be necessary as part of crisis management and to determine the most appropriate action to address the crisis.	Noted The communication with the supervised undertakings is addressed in paragraph 1.6 of the emergency plan template.
134.	Insurance Europe	Annex 1.D.1.4.	Please add "if available" after Insurance Guarantee Schemes since these are not mandatory in all Member States.	Agreed
135.	FECIF	Annex 1.D.1.5.	The disclosure or not of information in a suspected, or not, systemic crisis is not of IFAs' responsibility. The fact that there is a contingency which enables regulators to uphold crucial information to prevent panic must relieve any consequent IFAs' responsibility.	Noted

136.	Insurance Europe	Annex 1.D.2.	Why is the testing of the emergency plan not mandatory?	Noted The guidelines aim at providing sufficient flexibility in colleges operations.
137.	Insurance Europe	Annex 1.E.2	Why should the relevant supervisor not be included? Clarification needed	Agreed Reference has been added in Annex 1.F.1 (previously Annex 1.E.1).
138.	CFO Forum – CRO Forum	Annex 1.E.7	Clarity of the relationship between the college of supervisors CMG and CBSG is needed to ensure that activity is not duplicated in the assessment of the systemic nature of the crisis	Disagree The issue is out of scope of these guidelines. The objective of the emergency plan template, which is an annex to the guidelines, is to facilitate supervisory cooperation in emergency situations in compliance with Solvency II Directive.
139.	Insurance Europe	Annex 1.E.9	Why should GS and IS not be involved when deciding on supervisory actions? Clarification needed.	Agreed GS and IS have been added.
140.	Insurance Europe	Annex 1.E.17	Why should only changes and delays that supervisors are aware of be disclosed in the RSR or by the IS or GS? Seems very limiting. Clarification is needed.	Noted The table is to address information to be exchanged between supervisory authorities.
141.	FECIF	Annex 2.1	Flexibility in managing assets, within maximum margins, is much more efficient than linking it to the capital adequacy. In this respect the returns' ratios are a complete nonsense, given the limits of "risk" investments allowed by the Directive.	Disagreed The comment goes against the basic principles of Solvency II Directive.

				See also response to comment 142.
142.	Insurance Europe	Annex 2.1	<p>What about information on traded recoverables, gross combined ratio and net/gross reinsurance premiums?</p> <p>Also, it should be made clear that this list is exemplary and not exhaustive.</p>	<p>Noted</p> <p>Annex 2, together with GL 19, will be inserted into a separate set of guidelines, which will address exchange of information on a systematic basis within colleges in a more comprehensive way.</p>
143.	CFO Forum – CRO Forum	Annex 2.10	'Loss' should be deleted from after 'non-life technical provision' as this appears to be included in error	<p>Noted</p> <p>See response to comment 142.</p>
144.	CFO Forum – CRO Forum	Annex 2.12	<p>We do not consider that it would be appropriate to develop a ratio for investment returns, as this would not provide any meaningful trend analysis that could be used to inform College discussions with the insurance group.</p> <p>The ratios that the College develop should be capable of being derived from the regulatory returns from insurance groups submit. The College should not seek to introduce additional reporting requirements.</p>	<p>Noted</p> <p>See response to comment 142.</p>

Annex III: Draft Guidelines

Table of Contents

- 1. Guidelines on operational functioning of colleges 5**
- Introduction 5
- Section I: Establishment of the college 7**
- Section II: Initial meeting of the college..... 9**
- Section III: On-going functioning of the college 10**
- Section IV: Joint and local examinations 14**
- Section V: Sharing and delegation of tasks 15**
- Section VI: Connection between prudential supervision and macro surveillance..... 16**
- Compliance and Reporting Rules 16
- Final Provision on Reviews..... 17
- Annex 1 - Coordination arrangements template 18
- Annex 1.E - Emergency plan..... 32
- Annex 1.F – List of information that may need to be exchanged within the college in a crisis situation 38

1. Guidelines

Introduction

- 1.1. According to Directive 2009/138/EC of 25 November 2009 of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (hereinafter 'Solvency II Directive')³, in particular Article 248(6) thereof, and Article 21 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC⁴ (hereinafter 'EIOPA Regulation'), EIOPA developed guidelines on the operational functioning of colleges. These guidelines address the practical needs of colleges of supervisors for their operational functioning, identified by EIOPA in comprehensive reviews of their work through action plans for colleges, EIOPA's college reports and peer reviews. Based on these elements, EIOPA assessed the level of convergence needed and identified the areas and content to be covered by these guidelines.
- 1.2. These guidelines aim at facilitating the tasks of group supervisors as well as improving the functioning of colleges of supervisors. By developing common practices and a supervisory culture, they ensure a consistent operational functioning of colleges of supervisors and a convergent application of Union law in the exercise of supervision in the context of colleges of supervisors. These guidelines also aim at enhancing the single market level playing field and reducing the administrative burden on insurance and reinsurance undertakings and supervisory authorities through a proportionate approach in their practical application.
- 1.3. These guidelines provide a roadmap for setting up a college of supervisors and facilitating cooperation among its members and participants in their joint supervisory work such as exchange of information, risk assessments, on-site examinations, decision making processes and consultations.
- 1.4. These guidelines are addressed to supervisory authorities who are members or participants of colleges of EEA groups.
- 1.5. While EIOPA is a member of the colleges of supervisors in accordance with Article 21 of the EIOPA Regulation, day-to-day supervision of insurance and reinsurance undertakings is the responsibility of national supervisory authorities.
- 1.6. When participating in the activities of the college of supervisors, in accordance with Articles 21 and 28 of the EIOPA Regulation, EIOPA will assist the group supervisor and the college of supervisors by providing information, advice, practical examples and sharing best practices upon request and on its own initiative, and promote the implementation of EIOPA's work on colleges of supervisors. EIOPA will facilitate delegation of tasks within colleges of supervisors by identifying those tasks that can be

³ OJ L 335, 17.12.2009, p.1.

⁴ OJ L 331, 15.12.2010, p. 48.

delegated or jointly exercised, following the principle of allocating supervisory competence to a supervisor which is best placed to take actions in the subject matter.

- 1.7. Furthermore, EIOPA will ensure that micro-economic risk assessments performed by colleges of supervisors contribute to the evaluation of macro-economic risks for financial stability purposes.
- 1.8. In its oversight function EIOPA will monitor the functioning of colleges of supervisors and prepare on a regular basis a comprehensive report to the Board of Supervisors on the outcome of this monitoring. When appropriate, EIOPA may request from the group supervisor further deliberations, additional college meetings or agenda points. At the group supervisor's request, EIOPA is prepared to facilitate decision making processes within the college of supervisors.
- 1.9. EIOPA will not take over the tasks of the group supervisor when it comes to chairing and leading the college of supervisors as well as its supervisory tasks and responsibilities. In case of formal voting in a college of supervisors, EIOPA would give its opinion but would not take part in formal voting.
- 1.10. The Guidelines shall apply from 1 April 2015 with the exception of Guidelines 17 to 18 that shall apply from 1 January 2016.
- 1.11. For the purpose of these Guidelines, the following definitions have been developed:
 - When these Guidelines refer to 'group supervisor', they refer to the supervisory authority that fulfils the criteria set out in Article 247 of the Solvency II Directive, even before the group supervisor is designated by the college in accordance with these criteria.
 - When these Guidelines refer to 'other related undertakings' they mean an undertaking, other than a subsidiary, in which a participation is held or an undertaking linked with another undertaking by a relationship as set out in Article 12(1) of Directive 83/349/EEC, regardless of whether its head office is situated in the EEA or in a third country.
 - When these Guidelines refer to 'members', they refer to the members of the college identified in Article 248(3) of the Solvency II Directive, including:
 - the group supervisor;
 - EEA supervisory authorities of subsidiaries;
 - EIOPA.
 - When these Guidelines refer to 'participants', they refer to:
 - authorities allowed to participate in the colleges identified in Article 248(3) of the Solvency II Directive, subject to the group supervisor inviting them pursuant to [Article 354 of the Implementing Measures], including:
 - EEA supervisory authorities of significant branches;
 - EEA supervisory authorities of other related undertakings;

- third-country supervisory authorities of related undertakings including subsidiaries.
- pursuant to Article 252 of the Solvency II Directive, and subject to the group supervisor inviting them, authorities responsible for the supervision of credit institutions and investment firms that are part of the group.
- When these Guidelines refer to 'college', they refer to the college of supervisors as defined in Article 212(1)(e) of the Solvency II Directive.

If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction.

Section 1: Establishment of the college

Guideline 1 - Mapping of the group and identification of members and participants of the college

1.12 The group supervisor or, if not yet designated, the supervisory authority which would be the group supervisor if the criteria set out in Article 247(2) of the Solvency II Directive were to apply, should map all the related undertakings and branches of the group in order to determine the group structure and identify all members and participants of the college.

The mapping should be reviewed at least upon modification of the group structure in order to allow the college to review the appropriateness of members and participants of the college and confirm that there is no need for designating another supervisory authority as the group supervisor.

In addition, the group supervisor or the supervisory authority which would be the group supervisor if the criteria set out in Article 247(2) of the Solvency II Directive were to apply should require the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company to perform and submit an initial analysis of its group structure including an assessment of any dominant or significant influence effectively exercised over an undertaking by another undertaking that is part of the group, as well as to provide information on branches in the group.

Guideline 2 - Criteria for assessing the significance and materiality of related undertakings

1.13 The supervisory authorities identified in the mapping process as members and participants of the college should contribute to the assessment performed by the group supervisor of the undertakings' significance and materiality together with the rationale for that assessment.

When assessing the significance of undertakings within the group, supervisory authorities should consider at least the following factors:

- a) the ratio of the balance sheet of an undertaking to the total balance sheet of the group;
- b) the proportional contribution of an undertaking to the group Solvency Capital Requirement;

- c) the proportional contribution of an undertaking to the group own funds;
- d) the contribution of an undertaking to the performance and earnings of the group as a whole;
- e) the role of the undertaking within the group's organisational structure, systems, and controls; its risk management functions and senior management oversight for monitoring and controlling risks in the undertakings;
- f) the level of influence exercised over the undertakings;
- g) the interactions between undertakings.

When assessing the materiality of undertakings in the local market, supervisory authorities should at least consider the following factors:

- a) the market share of the undertaking;
- b) the role of the undertaking in specific markets;
- c) the ratio of the total balance sheet of the group to the total balance sheet of all groups in a particular Member State or a third country;
- d) the level of risk to which the undertaking is exposed and potential effect on the local market;
- e) the role of the undertaking in the infrastructure of the financial system.

Guideline 3 - Results of the assessment of the significance and materiality of branches and related undertakings

1.14 The group supervisor should consider and use the results of the significance and materiality assessment to decide whether to invite the supervisory authorities of significant branches and other related undertakings to the college meetings, as well as to decide on the organisational structure of the college and its work plan.

Guideline 4 - Invitation of third-country supervisory authorities

1.15 When third-country supervisory authorities are invited to join the college as participants, the group supervisor should request them to sign the coordination arrangements and to demonstrate that they can comply with the coordination arrangements under their national legislation. In particular the third-country professional secrecy requirements need to be assessed by reference to the requirements provided for in Article 66 of the Solvency II Directive.

If the third-country supervisory authorities cannot provide their consent to the coordination arrangements, including compliance with professional secrecy requirements, the group supervisor should adapt the organisation of the college accordingly in a way that confidentiality and professional secrecy are ensured in all circumstances.

Guideline 5 - Guarantees for confidentiality and professional secrecy

1.16 When a member or a participant of the college is aware of any confidentiality or professional secrecy issue which may have a negative impact on the assessment of a third-country supervisory authority's

professional secrecy regime previously considered equivalent, it should provide relevant information to the other members and participants, as soon as possible.

Section 2: Initial meeting of the college

Guideline 6 - Schedule of the initial meeting

1.17 After finalising the mapping of the group's structure and the assessment of the significance and materiality of branches and related undertakings, and not later than three months from the finalisation of the mapping of the group, the group supervisor should schedule the initial meeting of the college.

In case a college is already established at the date of application of these guidelines, the group supervisor should assess compliance of the operational functioning of the college with these guidelines and aim at adapting its functioning where necessary.

Guideline 7 - Agenda of the initial meeting

1.18 The group supervisor should include in the agenda of the initial college meeting at least the following items:

- a) the formal designation of the group supervisor;
- b) a description of the scope of group supervision including, where applicable, an explanation from the group supervisor of its decision to exclude an undertaking from the scope of group supervision;
- c) an explanation by the group supervisor of the rationale of its initial mapping and any significant departure from the assessment of other members or participants;
- d) a proposal for the coordination arrangements in order to determine the organisational structure of the college and the means of exchange of information among members and participants.

The group supervisor should circulate the initial proposal for the coordination arrangements of the college at least four weeks in advance of the meeting, in order to initiate the six-month period referred to in Guideline 8.

Guideline 8 - The coordination arrangements

1.19 The group supervisor should draft the coordination arrangements on the basis of the template provided in Annex 1. The group supervisor should be allowed to amend and further develop the template including deadlines and timeframes, where appropriate to suit the needs of the college. It should explain in writing the rationale for these amendments and further developments to the other members and participants.

Members and participants should reach an agreement and sign the coordination arrangements within six months from the date on which the arrangements are proposed formally to them by the group supervisor, as provided for in Guideline 7. The coordination arrangements should determine when and under which conditions it comes into force.

The coordination arrangements should be drafted in English unless otherwise agreed by members and participants.

Section 3: On-going functioning of the college

Guideline 9 - Organisational structure and specialised teams

1.20 In determining the organisational structure of the college, the group supervisor should take into account the significance and materiality of related undertakings. Where appropriate, the group supervisor should establish different specialised teams for certain work streams or projects. Members of the college should agree on the composition, the chair and the objectives and purpose of each specialised team, including how the specialised team will report their conclusions to the college.

Where specialised teams are created within the college, the group supervisor should ensure the coordination of the work of these teams.

Members and participants of the college, including those members and participants not involved in specialised teams, should be regularly informed of the developments made by specialised teams, where appropriate.

Guideline 10 - The main tasks of the group supervisor

1.21 The group supervisor should take the lead in the college's activities, chair its meetings and establish an appropriate mechanism to facilitate its operational functioning. To this end, the group supervisor should among other activities:

- a) update the contact details of members and participants whenever changes occur on the basis of the reviews sent by the other members and participants;
- b) inform the other members and participants, within a reasonable time to be determined in the coordination arrangements, that a college meeting will be held, without prejudice to ad-hoc or emergency situations;
- c) prepare the agenda of the college meetings with clearly defined objectives;
- d) record minutes of the college meeting;
- e) formalise and follow up action points agreed upon by members and participants;
- f) develop the college work plan in cooperation with the other members and participants;
- g) perform supervisory review and assessment of the financial situation of the group and, in order to facilitate this task, consult the other members and participants;
- h) review the organisational structure and the coordination arrangements with a view to maintaining efficient group supervision;

- i) engage in a discussion regarding the need to designate a new group supervisor in case a modification of the group structure could lead to such a decision.

Guideline 11 - Draft agenda and documentation

- 1.22 The group supervisor should circulate the draft agenda in advance of the meeting as defined in the coordination arrangements. Members and participants should be allowed to ask for amendments. The latest version of the draft agenda should be sent to members and participants together with the documentation prepared by the group supervisor or by other members or participants in advance of the meeting as defined in the coordination arrangements.

Guideline 12 - The college work plan

- 1.23 The group supervisor should draw up a college work plan for the purpose of group supervision and update it as soon as circumstances require it. Members and, when concerned, participants should discuss and agree on the college work plan. This should not prevent any supervisory authority from drawing up an individual supervisory plan for an insurance or reinsurance undertaking that is part of the group.

The college work plan should assist the college with planning and coordinating the main types of supervisory activities, for both on-site including joint on-site examinations, and off-site work. It should also include the relevant aspects of the group supervisory plan. All planned major on-site examinations of the most significant entities to be performed in the forthcoming year by the group supervisor and the other members and participants should also be included in the college work plan, regardless of whether they are joint examinations or not. Furthermore, the college work plan should specify which member or participant is responsible for each planned examination.

In addition, the college work plan should include the scheduled recurring key meetings and the authorities that will participate in these meetings.

Independently from the updates mentioned in the first paragraph, a critical review of the outcome of the college work plan should be conducted periodically within the college. The group supervisor should carry out this review at least annually when assessing the college's performance.

Guideline 13 - Communication channels

- 1.24 To ensure efficient information sharing, members and participants should consider using the full range of communication channels within the college, provided that the confidentiality of data is secured.

Guideline 14 - Cooperation between supervisory authorities in the context of the supervisory review process

- 1.25 College members and, where relevant, participants should cooperate and exchange information within the college to enable the college to form a shared view of the risks of the group as part of the supervisory review process.

Guideline 15 - Communication with supervised undertakings

1.26 Except in the situation described in the first paragraph of Article 251 of the Solvency II Directive, the group supervisor should be responsible for the communication with the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company. In the situation described in the first paragraph of Article 251 of the Solvency II Directive, the supervisory authority of the Member State in which a parent undertaking has its head-office should be responsible for the communication with that undertaking. The other members and participants should be responsible for the communication with individual undertakings.

Members and participants should coordinate information requests sent to the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company and individual undertakings that are part of the group in order to avoid duplication.

The group supervisor should periodically organise multilateral meetings between members and participants and the administrative, management, the supervisory body or other representatives of the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company of the group, or a representative of any relevant entity that is part of the group.

Where relevant, the group supervisor should provide to the group the draft agenda in advance of the meeting.

Guideline 16 - Consultation process within the college

1.27 When consulting other supervisory authorities concerned under the relevant provisions of the Solvency II Directive, the group supervisor or, where relevant, any other member or participant, should respect the following procedure:

- a) it should send a written proposal with supporting reasons to supervisory authorities concerned and a copy to the other members and participants where appropriate, in order to ensure an efficient exchange of information;
- b) it should allow supervisory authorities concerned to respond within a timeframe determined in the coordination arrangements;
- c) where applicable, it should also send a written proposal to the group and allow the group to respond within an agreed timeframe;
- d) it should organise a meeting to discuss the relevant issues if deemed necessary by any supervisory authorities concerned;
- e) it should send the final decision to members and, where appropriate, to participants, together with the opinions of the supervisory authorities concerned as well as of the group, and, where applicable, the reasons to deviate from these opinions.

Guideline 17 - Communication with the group supervisor before setting a capital add-on for a related undertaking

1.28 The supervisory authority responsible for the supervision of an insurance or reinsurance undertaking that is part of the group should inform the

group supervisor, who should immediately inform the other members and participants, when it concludes that:

- a) the risk profile of the undertaking deviates significantly from the assumptions underlying the calculation of the Solvency Capital Requirement;
- b) the system of governance of the undertaking deviates significantly from the standards laid down in Articles 41 to 49 of the Solvency II Directive, which prevents the undertaking from properly identifying, measuring, monitoring, managing or reporting the risks that it is or could be exposed to; or
- c) the undertaking applies the matching adjustment referred to in Article 77b of the Solvency II Directive, the volatility adjustment referred to in Article 77d of the Solvency II Directive or the transitional measures referred to in Articles 308c and 308d of the Solvency II Directive and the risk profile of that undertaking deviates significantly from the assumptions underlying these adjustments and transitional measures.

Guideline 18 - Communication with the college before setting a capital add-on at group level

1.29 The group supervisor should inform the other members and participants when it concludes that:

- a) the risk profile of the group deviates significantly from the assumptions underlying the calculation of the group Solvency Capital Requirement;
- b) the system of governance of the group deviates significantly from the standards laid down in Articles 41 to 49 of the Solvency II Directive, which prevents the group from properly identifying, measuring, monitoring, managing or reporting the risks that it is or could be exposed to; or
- c) the group applies the matching adjustment referred to in Article 77b of the Solvency II Directive, the volatility adjustment referred to in Article of 77d the Solvency II Directive or the transitional measures referred to in Articles 308c and 308d of the Solvency II Directive and the risk profile of that group deviates significantly from the assumptions underlying these adjustments and transitional measures.

Guideline 19 - Ad-hoc exchange of information

1.30 For information that is not covered by exchange of information on a systematic basis and where it is not stated otherwise in the Solvency II Directive or in the Implementing Measures, when a member or a participant becomes aware of relevant information, the following procedure for ad-hoc information exchange within the college should apply:

- a) members and participants should inform the group supervisor of all relevant information;
- b) the group supervisor should request further relevant information for group supervision, where appropriate;

- c) the group supervisor should send as soon as possible to the other members and participants any relevant information that they may need to assess;
- d) members and participants should request from the group supervisor further relevant information concerning the individual undertakings under their supervision, where appropriate;
- e) members and participants should inform the group supervisor of the supervisory actions and measures that they have taken or intend to take including the main findings and conclusions of such actions, where relevant.

If this information concerns the group, the following procedure for ad-hoc information exchange within the college should apply:

- a) the group supervisor should inform the other members and participants of any relevant information to them as soon as it becomes available;
- b) members and participants should request further relevant information concerning the individual undertakings under their supervision, where appropriate;
- c) the group supervisor should inform the other members and participants concerned of the supervisory actions and measures taken at group level, where relevant.

Section 4: Joint and local examinations

Guideline 20 – Joint on-site examinations

1.31 Any EEA member or participant of the college who wishes to verify information in accordance with Article 255 of the Solvency II Directive, which it deems appropriate for the supervision of the group or entities within the group, should be able to request a joint on-site examination mentioning its scope and objective, after having taken into account the need to avoid duplication of effort between supervisory authorities. The information to be verified should be needed for supervisory purposes including, but not limited to, supplementing the off-site analysis, helping detect problems that may not be apparent through off-site analysis, taking into account the environment in which the undertakings operate.

The supervisory authority requesting a joint on-site examination should inform the group supervisor by indicating the scope and purpose of it. The group supervisor should then notify EIOPA as well as the other members and participants that may be affected by or interested in participating in the on-site examination or its outcome. Once the participating authorities have been identified, they should discuss and agree on the final scope, purpose, structure and allocation of tasks of the examination, including who will be leading the on-site examination.

The group supervisor should be kept informed on the progress and findings of the joint on-site examination.

Guideline 21 – On-site examinations

1.32 Where relevant for group supervision, the supervisory authority of an insurance or reinsurance undertaking that is part of the group should inform the group supervisor when it intends to perform an on-site examination and should communicate to the group supervisor the main findings and conclusions of such examination.

Where relevant for the supervision of insurance or reinsurance undertakings that are part of the group, the group supervisor should inform the other members and participants concerned when it intends to perform an on-site examination and should communicate to them the main findings and conclusions of such an examination.

Section 5: Sharing and delegation of tasks

Guideline 22 - Organisation of sharing and delegation of tasks

1.33 Where members and participants consider that sharing and delegating tasks lead to more effective and efficient supervision, such as avoiding duplication of tasks, optimising supervisory resources and expertise, removing unnecessary burden for the supervised undertakings, they should document it in the coordination arrangements and the college work plan as specified in Guideline 24.

The supervisory authorities involved should ensure that sharing and delegating tasks are consistent with the structure and organisation of the group and proportionate to the nature, scale and complexity of the risks inherent to the activities of the supervised undertakings.

Sharing and delegating tasks should not alter the allocation of supervisory responsibilities or liabilities of members and participants with respect to the supervised undertakings.

Guideline 23 - Procedures for sharing and delegating tasks

1.34 Before sharing or delegating any task, the supervisory authorities involved should ensure under the coordination of the group supervisor that a common agreement is reached at least on:

- a) the role and the responsibilities of the supervisory authorities involved;
- b) the terms under which the supervisory authorities involved will report to each other;
- c) the standards under which tasks should be executed;
- d) the possible instructions provided by the supervisory authorities involved to each other;
- e) the confidentiality provisions that will govern the exchange of information;
- f) the working methods to be used;
- g) the access to the documentation produced by the supervisory authorities involved;
- h) the timetable for completion of the delegated or shared tasks.

Guideline 24 - Documentation of sharing and delegation of tasks within the college

1.35 Members and participants should provide the framework for sharing and delegating tasks in the coordination arrangements and include the specific tasks to be shared or delegated, with the expected timeline, in the college work plan.

Guideline 25 – Communication to supervised undertakings on sharing and delegation of tasks

1.36 The supervisory authorities involved should provide to the undertakings concerned by sharing and delegation of tasks the following information:

- a) identification of shared or delegated tasks including practical implications for the undertaking;
- b) the authority in charge of communication with the undertaking.

Section 6: Connection between prudential supervision and macro surveillance

Guideline 26 - Impact of market-wide risks and financial sector developments on prudential supervision

1.37 When assessing the risk profile of the group, the group supervisor should, with the involvement of the other members and participants, take into account the impact of the market-wide risks, financial sector developments and vulnerabilities on the financial situation of the group.

Where tools such as stress tests are used to assess the resilience of the group to various forward-looking adverse scenarios, the processes, methodologies and outcome of these assessments should be discussed within the college.

Compliance and Reporting Rules

1.38. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, competent authorities and financial institutions shall make every effort to comply with guidelines and recommendations.

1.39. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.

1.40. Competent authorities shall confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, by two months since the date of their publication.

1.41. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

Final Provision on Reviews

The present Guidelines shall be subject to a review by EIOPA.

Annex 1 - Coordination arrangements template

Introduction

Based on Article 248(4) of directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance⁵ (hereinafter 'Solvency II Directive') these Coordination arrangements have been concluded for the establishment and functioning of the college of supervisors for [to be filled in with the name of the Group].

These arrangements do not create any additional legally binding obligations on members and participants which are not specified in the Solvency II Directive or in the Implementing Measures. Third-country participants are bound by their own national laws and regulations.

These arrangements will take effect between members and participants as stated in Annex 1.A, all together referred to in these arrangements as the college of supervisors.

The group supervisor, the other members and participants recognise the need to cooperate in the supervision of [to be filled in with the name of the group] on the basis of mutual understanding and cooperate wherever necessary in supervising [to be filled in with the name of the group], within the framework of the EIOPA Guidelines on the operational functioning of colleges of supervisors.

In order to enhance the efficiency of the group supervision, members and participants can decide jointly to cooperate on an ad-hoc basis with competent authorities which cannot be invited as participants, for third-country authorities subject to conditions of equivalence of professional secrecy rules, as specified in paragraph 7 of these arrangements.

All annexes are part of these arrangements.

1. Definitions

The following definitions will apply to these arrangements:

- a. Group supervisor: the supervisor responsible for the coordination and exercise of group supervision in accordance with Article 212(1)(d) of the Solvency II Directive and appointed in accordance with the procedure of Article 247 of the Solvency II Directive;
- b. Supervisory authority: the national authority or authorities empowered to supervise insurance or reinsurance undertakings in accordance with Article 13(10) of the Solvency II Directive;
- c. Third-country supervisory authority: the national authority or authorities in a non-EEA country empowered to supervise insurance or reinsurance undertakings;
- d. Members: members of the college of supervisors identified in Article 248(3) of the Solvency II Directive, including:

⁵ OJ L 335, 17.12.2009, p.1.

- the group supervisor;
 - EEA supervisory authorities of subsidiaries;
 - EIOPA.
- e. Participants:
- supervisory authorities allowed to participate in the colleges of supervisors identified in Article 248(3) of the Solvency II Directive, subject to the group supervisor inviting them pursuant to [Article 354 of the Implementing Measures] including:
 - o EEA supervisory authorities of significant branches;
 - o EEA supervisory authorities of related undertakings other than subsidiaries;
 - o third-country supervisory authorities of related undertakings including subsidiaries.
 - pursuant to Article 252 of the Solvency II Directive, and subject to the group supervisor inviting them, authorities responsible for the supervision of credit institutions and investment firms that are part of the group.
- f. Group: a group of undertakings as defined in Article 212 of the Solvency II Directive;
- g. College: a college of supervisors as defined in Article 212(1)(e) of the Solvency II Directive;
- h. Specialised team: a team composed of members and participants, established by the group supervisor in consultation with the college of supervisors for carrying out some activities of the college of supervisors;
- i. Helsinki plus list: a list of all EEA insurance groups and its EEA and third-country subsidiaries and branches, with contact details of the supervisory authorities involved in the supervision of the group and basic supervisory information. The list is administered by EIOPA.

{Explanations are provided in brackets. They provide guidance to the drafting of individual arrangements which should be adapted to the specific needs of the individual college}

2. Scope and objectives

Scope

These arrangements lay out the basis for the cooperation between members and participants and the practical organisation of supervisory activities concerning [to be filled in with the name of the group]⁶ as follows:

- the list of the members and participants of the college;
- the role and responsibilities of the group supervisor;
- the role and responsibilities of the other members and participants;

⁶ Subjects can be added or removed according to the college specificities. To be added for example the consultation mechanism for Article 230 of the Solvency II Directive, info exchange and cooperation in relation to crucial mergers/acquisitions/dissolutions, see also paragraph 8.9 of the arrangement. To be deleted for example the internal model parts of the template if no group internal model is used.

- the exchange of information and professional secrecy;
- the cooperation among the group supervisor and the other members and participants during on-going supervision and in time of crisis;
- the consultation and the decision making process among the group supervisor and the other members and participants;
- the college work plan;
- the sharing and delegation of tasks;
- the setting up of specialised teams within the college;
- the organisation of joint on-site examinations;
- the assessment of compliance of the group with the requirements on solvency, risk concentration and intra-group transactions;
- the decision making process in general and in relation to the application for the group internal model pursuant to Article 231 of the Solvency II Directive;
- the process for determining the imposition of a group capital add-on;
- the choice of the calculation method of the group solvency and the determination of the proportional share;
- the application of the centralised risk management provisions;

in order to:

- facilitate and foster the exchange of essential and relevant information, views and assessments among members and participants and effective supervision of [to be filled in with the name of the group], including the avoidance of duplication of tasks and timely action in going concern and emergency situations;
- enable members and participants, in line with their supervisory responsibilities, to form a shared view on the risk profile and solvency position of [to be filled in with the name of the group] and on the impact thereof on individual undertakings that are part of the group;
- achieve coordination of supervisory activities, including supervisory review and risk assessment;
- establish the college work plan and arrange allocation of tasks and on-site examinations;
- coordinate major decisions to be taken by individual supervisory authorities as far as possible and to strive to reach consensus where appropriate;
- support members and participants when exercising their respective supervisory tasks.

3. Principles

The following principles apply to these arrangements:

- the college operates as an on-going cooperative structure not limited to college meetings or teleconferences;

- the college plays a key role in enhancing supervisory cooperation as well as coordinating supervisory activities and major decisions to be taken by individual supervisory authorities, striving to reach consensus where appropriate;
- the cooperation between members and participants mainly takes place through the college, whose organisation reflects the activities and legal structure of [to be filled in with the name of the group] as well as the risks to which [to be filled in with the name of the group] and undertakings that are part of the group are or may be exposed;
- Member State [to be filled in with the name of the country] has more than one supervisory authority for the prudential supervision of the undertaking of [to be filled in with the name of the group], therefore [to be filled in with the name of the supervisory authority] and [to be filled in with the name of the supervisory authority] take the necessary measures to ensure coordination between those supervisory authorities⁷;
- members and participants recognise that [to be filled in with the name of the group supervisor] is the group supervisor of [to be filled in with the name of the group] and therefore responsible for the coordination and exercise of group supervision of [to be filled in with the name of the group] as stated in these arrangements;
- if not otherwise stated in these arrangements the working language for cooperation and consultation will be English.

4. Description of the group

[To be filled in with the name of the group] whose participating insurance or reinsurance undertaking, insurance holding company or mixed financial holding company is [to be filled in with the name of the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company], has its registered office in an EEA Member State and has related undertakings [and branches] in the EEA Member States [and third countries] as described in the Helsinki plus list.

{If the group is also subject to supervision under the FICOD, please mention it as well as the coordinator identified.}

A diagram of the group is attached in Annex 1.B.

5. Contact details of members and participants

The contact details of members and participants are stored in the directory hosted by EIOPA (Helsinki plus list).

Any updates of the contact details of members and participants will be provided by the group supervisor to EIOPA, which will update the EIOPA directory accordingly.⁸

⁷ This paragraph can be multiplied if needed or removed if not applicable.

⁸ It is the task of each member and participants to review the directory at least quarterly and report any changes to the group supervisor as soon as practically possible. All information required at the individual undertaking level should be provided to the group supervisor, who is responsible for updating and sending the list to EIOPA. EIOPA will upload it as soon as practically possible on the restricted area of its website.

{The access of third-country supervisory authorities to this list is conditional to the compliance with professional secrecy requirements and to the agreement between the members of the college, in accordance with [Article 379 (e) to (i) of the Implementing Measures]. For supervisory authorities who have no access to the Helsinki plus list the contact details will be provided by other means {please clarify how}.

6. Responsibilities of members and participants

The effective functioning of the college for [to be filled in with the name of the group] depends on the contribution of the group supervisor and the other members and participants to activities of the college. This contribution is based on sufficient knowledge of the group and supervisory expertise.

Group supervisor

In accordance with Article 248 of the Solvency II Directive, the group supervisor is responsible for:

- coordination of gathering and dissemination of relevant or essential information for going concern and emergency situations;
- the supervisory review and assessment of the financial situation of the group;
- the assessment of compliance of the group with the rules on solvency and the assessment of risk concentration and intra-group transactions;
- the assessment of the system of governance of the group and the assessment of fitness and propriety of the members of the administrative, management or supervisory body of the participating undertaking;
- planning and coordinating, through regular meetings held at least annually or through other appropriate means, supervisory activities for going concern and emergency situations, in cooperation with members and participants concerned and taking into account the nature, scale and complexity of the risks inherent in the business of all undertakings that are part of the group;
- other tasks, measures and decisions assigned to the group supervisor, in particular leading the process for validation of an internal model at group level and leading the process for reaching a joint decision on the application to be subject to the rules laid down in Articles 238 to 240 of the Solvency II Directive.

In order to fulfil the above tasks, the group supervisor takes the lead in the college's activities, chairs its meetings and establishes appropriate mechanisms to facilitate its operational functioning. To this end, among other activities, the group supervisor:

- updates the contact details of members and participants whenever changes occur on the basis of the reviews sent by the other members and participants;
- informs members and participants within [to be filled in with the timeframe which has been agreed upon in the college] that a college meeting will be held, without prejudice to ad-hoc or emergency situations;
- prepares the agenda of the college meetings with clearly defined objectives;

- records minutes of the college meetings;
- formalises and follows up the action points agreed upon by members and participants;
- develops the college work plan in cooperation with members and participants;
- performs supervisory review and assessment of the financial situation of the group and, in order to facilitate this task, consults the other members and participants;
- reviews the organisational structure and the coordination arrangements with a view to maintaining efficient group supervision;
- engages in a discussion regarding the need to designate a new group supervisor in case a modification of the group structure could lead to such a decision.

Members and participants

Each member expresses its opinion regarding topics and procedures that require a joint decision or agreement. When a member chooses not to provide a contribution, it is understood that there are no major comments and the college could act in line with the views communicated.

All members of the college, except EIOPA, vote when required. Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor.

7. Confidentiality, secured communication channels and information exchange

Confidentiality

Further to professional secrecy requirements provided for in the Solvency II Directive or other relevant Union law, the supervisory authorities confirm that any confidential information shared between them shall be used only for lawful supervisory purposes related to supervision of [to be filled in with the name of the group] and fall under members and participants' obligation of professional secrecy and conditions and procedures for the exchange of information among supervisory authorities.

Participants from the third-country jurisdictions can only be a party to confidential information sharing, provided that they have legislative provisions on professional secrecy which are equivalent to those in the relevant Union law. Participants from third countries acknowledge that they have made available to members and participants their own local rules of confidentiality and professional secrecy. Members and participants acknowledge that they have been informed of these local rules, and that they have assessed that the rules of professional secrecy of the participants from third countries are at least equivalent to their own professional secrecy obligations, if the equivalence has not already been positively verified.

Before a new third-country supervisory authority becomes formally a participant of the college, members and participants carry out the above mentioned assessment, if the equivalence has not already been positively verified by each member and participant.

If the assessment for a potential third-country participant has a negative outcome or is still under review, the college organisation will be adapted accordingly to ensure that the college still meets professional secrecy requirements in all circumstances.

Members and participants inform the group supervisor of any changes in the guarantees of confidentiality and professional secrecy applying to information transmitted to participants from third countries. Subsequently the group supervisor informs the other members and participants about such confidentiality or professional secrecy issue which may have a negative impact on the assessment of a third-country supervisory authority's professional secrecy regime previously considered equivalent.

Secured communication channels

The college agrees to use within the college the following channels for communication [to be filled in with the channels for communication].

All confidential and sensitive information is shared via the most secured communication channel.

Information exchange

The scope of information exchanged within the college reflects the needs of members and participants. The college complies with the following procedures:

- the group supervisor is responsible for the gathering and dissemination of information;
- a dataset of qualitative and quantitative information at group and individual undertaking level is exchanged between members and participants every [to be filled in with the timeframe] (see Annex 1.C)⁹;
- the dataset in Annex 1.C has been agreed upon taking into account [Article 357 of the Implementing Measures] and the [Guidelines on exchange of information on a systematic basis within colleges]. The college assesses the appropriateness of the set of information outlined in the [Guidelines on exchange of information on a systematic basis within colleges] with reference to [Article 357 of the Implementing Measures]. Where this set is not considered appropriate, the dataset in Annex 1.C specifies which additional information is relevant to be exchanged on a systematic basis or which information from this set should not be exchanged on a systematic basis, based on the nature, size and complexity of the group. The dataset in Annex 1.C is also part of the inbound information for the group supervisory review process. For third-country participants, the dataset is based on information which is comparable with that referred to in [Article 357 of the Implementing Measures];
- additionally, where appropriate, ad-hoc information is exchanged between members and participants.

When a request for information from the group supervisor or other college members or participants does not require preliminary analysis, but only data, it will be responded within [to be filled in with the number of working days] working days {five to ten working days}. When the request for information

⁹ Several flows of information within the college are possible and all the flows do not necessarily rely on the same dataset of information.

requires preliminary analysis, the deadline is extended to [to be filled in with the number of working days] working days {twenty working days}.

{Please insert what information will be exchanged on a systematic basis in Annex 1.C }

8. Functioning of the college

In on-going supervision

The college meets face to face at least once a year. {This sentence can be changed to a teleconference and other frequency of face to face meetings for proportionality reasons}. Any member or participant which participates in bilateral discussions informs the college and shares any relevant information resulting from these discussions with the college.

Members and participants will be informed about the meeting at the latest [to be filled in with the number of months] {two months} months in advance of the meeting.

The draft agenda for the meeting/ teleconference will be sent to members and participants at the latest [to be filled in with the number of weeks] {three weeks} weeks in advance of the planned meeting/ teleconference. The final agenda and all relevant documents will be sent to members and participants at the latest [to be filled in with the number of weeks] {one week} weeks in advance of the meeting/ teleconference.

In time of crisis

The competent supervisory authorities are responsible for assessing whether a crisis situation is affecting the undertaking under their supervision.

In line with the definition in the emergency plan for the college, added as Annex 1.E to these arrangements, and the CEIOPS Guidelines on preparation for and management of a financial crisis¹⁰, an insurance undertaking in crisis can be defined as potentially being partially or totally unable to settle its claims and to pay to its policyholders their benefits.

For the cooperation in the case of a crisis, members and participants of the college shall follow the principles and procedures stipulated in the approved emergency plan.

Members and participants will cooperate closely, whenever necessary and in accordance with their national law, with other relevant authorities (e.g. EU institutions, central banks, Ministries of Finance) involved in the crisis management process.

8.1 General procedures for consultation and decision making

Members, and participants to the extent provided for in sub-paragraph 3 of this paragraph, follow the procedures listed below unless the process relates to the decision on the application for the group internal model as referred to under paragraph 8.5 below or to a matter specified in the Union law.

¹⁰ Guidelines on preparation for and management of a financial crisis in the Context of Supplementary Supervision as defined by the Insurance Groups Directive (98/78/EC) and the Memorandum of Understanding on Cooperation between the Financial Supervisory Authorities, Central Banks and Finance Ministries of the European Union on Cross-Border Financial Stability, CEIOPS-DOC-15/09, 26 March 2009.

For each procedure, the supervisory authorities concerned may be different depending on the issue.

Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor at any stage of the process.

The group supervisor informs the other members and participants of the outcome of the consultation and decision making procedures.

Procedures for consultation

The procedure for consultation shall be as follows:

- send a written proposal with supporting reasons to the supervisory authorities concerned with a copy to the other supervisory authorities in order to ensure an efficient information exchange;
- the supervisory authorities concerned are allowed to respond within [to be filled in with the number of weeks] weeks {four weeks};
- where applicable, a written proposal is sent to the [to be filled in with the name of the group] by the group supervisor or to the individual reinsurance or insurance undertaking by the relevant national supervisory authority, allowing [to be filled in with the name of the group] or the individual reinsurance or insurance undertaking to respond within an agreed timeframe;
- a meeting is organised to discuss the relevant issues if deemed necessary by any supervisory authority concerned;
- the group supervisor communicates the outcome of the consultation process to the college in writing.

Procedure for the decision making process

The procedure for decision making process shall be as follows:

- the supervisory authorities concerned aim at reaching consensus on a decision to be made and where applicable the group supervisor proposes a voting procedure;
- where diverging views occur, supervisory authorities concerned explain their reasoning if necessary through written comments and foster the discussion with the other supervisory authorities;
- where applicable, and if all efforts to reach consensus are not successful, the matter can be brought to EIOPA for advice or mediation by the supervisory authorities concerned;
- the group supervisor communicates the final decision to the college in writing, stating the full reasoning and any significant diverging opinions in case of a majority decision or a decision which had to be taken only by the group supervisor.

When a consultation is organised during a college meeting or by written procedure, and the request has not been answered within [to be filled in with the number of working days] {twenty working days} working days, the proposal contained in the request is considered as agreed. If a supervisory authority needs more time to answer the request, it will inform the group supervisor and a new timeframe will be agreed upon.

The college will document decisions {describe how} and record them {describe how}.

8.2 College work plan, sharing and delegation of tasks and specialised teams

The members discuss and agree in the college on the [to be filled in with the frequency] college work plan following the procedure in paragraph 8.1¹¹.

{The college decides on the timeframe of the college work plan.}

The college work plan coordinates the main types of supervisory activities including the key college meetings and major examinations and will be updated as soon as circumstances require. The college work plan will be coordinated by the group supervisor and reviewed annually. The group supervisor includes in the college work plan the relevant aspects of the group supervisory plan, including:

- a description of the main risks to which the group is exposed being focused on, based on the outcome of the Group Risk Assessment Framework;
- a description of and rationale for the activities that the college will carry out based on the group supervisory plan;
- an identification of the relevant entities within the group and their supervisory authorities that the group supervisor is likely to seek input from.

The group supervisor takes into account the supervisory plans of the individual supervisors in order to coordinate the group and solo work plans where appropriate.

When members and participants share or delegate tasks, a clear sharing or delegation of tasks, including the fulfilment of the shared or delegated tasks and the timeframe in which the tasks are to be fulfilled, is agreed upon within the college in accordance with the EIOPA Guidelines on operational functioning of colleges of supervisors and according to the consultation and decision making process described in paragraph 8.1.

The college work plan reflects agreed sharing and delegations of tasks. The group supervisor should be informed of any sharing and delegation of tasks between the other members and participants. Members and participants which are not part of sharing or delegation of tasks should be adequately informed. Where specialised teams are created, members and participants which are not part of these teams are regularly informed of the developments {describe how}.

8.3 Joint on-site examinations

The college work plan includes a list of all relevant planned on-site examinations of entities that are part of [to be filled in with the name of the group] at individual and group level. For the purpose of preparing the college work plan, members and participants inform the group supervisor about any relevant planned on-site examinations in undertakings that are part of [to be filled in with the name of the group]. The group supervisor informs the other members and participants about any relevant planned on-site examinations in the participating insurance or reinsurance undertaking, the insurance holding company or the

¹¹ According to [Article 355(2)(d) of the Implementing Measures], the college work plan shall be revised at least annually.

mixed financial holding company or in any other individual undertaking of the [to be filled in with the name of the group].

Whenever a topic is identified as relevant for the supervision of the [to be filled in with the name of the group] (or several entities of the group situated in different jurisdiction) each member or participant can make a proposal for a joint supervisory activity and inform the group supervisor or competent individual supervisory authorities indicating the reason(s) for and scope of the joint supervisory activity. The group supervisor then notifies EIOPA as well as the other members and participants that may be affected by or interested in participating in the on-site examination or its outcome. Once the participating supervisors have been identified, they discuss and agree on the final scope, purpose, structure and allocation of tasks of the examination, including who will be leading the on-site examination¹².

The number of supervisory authorities participating in joint supervisory activities is kept to an efficient size.

The group supervisor will be kept informed on the progress and findings of the joint on-site examination and ensures appropriate dissemination of information on the joint on-site examination.

8.4 Assessment of compliance of the group with requirements on solvency, risk concentration and intra-group transactions

When assessing the risk profile of the [to be filled in with the name of the group], the systemic risk posed by the group and its undertakings will be taken into account. While assessing the risk profile of the group, market-wide risks, financial sector developments and vulnerabilities also have to be taken into account.

[to be filled in with the name of the group] will report intra-group transactions as decided upon by the group supervisor after consulting the other members and participants concerned and provided for in Annex 1.D {Annex 1.D will provide thresholds for significant and very significant intra-group transactions as well as types of intra-group transactions to be reported in all circumstances}.

[to be filled in with the name of the group] will report risk concentrations as decided upon by the group supervisor after consulting the other members and participants concerned and provided for in Annex 1.D {Annex 1.D will provide thresholds for significant risk concentrations and types of risk concentrations to be reported in all circumstances}.

8.5 Decision making process on the group internal model application and preparation of the joint decision

This part of the coordination arrangements aims to clarify the responsibilities of the group supervisor and the other supervisory authorities concerned when reaching a joint decision on the group internal model once the assessment of the application has been concluded.

The [Implementing Technical Standards on the joint decision process for group internal models] set out the process that the supervisory authorities concerned, as defined in these Implementing Technical Standards, have to follow in order to reach a joint decision on the group internal model. In particular in accordance

¹² See also Guideline 21 in EIOPA Guidelines on the operational functioning of colleges of supervisors for further procedures and communications.

with [Article 3(1) of the Implementing Technical Standards], the supervisory authorities concerned have to decide on the process to reach a joint decision, including timelines, main steps and deliverables.

The EIOPA Guidelines on the operational functioning of colleges of supervisors include further provisions that have to be followed by the supervisory authorities, in particular the setting up of the college work plan to be followed by the supervisory authorities during the approval process with the aim of reaching a decision.

1. According to [Article 4(3) of the Implementing Technical Standards], the group supervisor has to draft a proposal for a joint decision on the basis of the inputs received from the other supervisory authorities concerned.

These inputs consist of the following:

- (a) compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the Solvency Capital Requirement (hereinafter 'SCR') of the related undertaking they supervise (including the adequacy or inadequacy of the reflection by the group internal model of the risk profile of this related undertaking), and the rationale for this;
- (b) whether they would approve or reject the group internal model for the calculation of the SCR of the related undertaking they supervise.

The opinions referred to in [Article 4(6) of the Implementing Technical Standards] by the other supervisory authority concerned to the proposal of the group supervisor and their final views on the application as set out in [Article 4(7) of these Implementing Technical Standards] are related to the issues included in (a) and (b) above.

2. The group supervisor's contribution to the joint decision, to be included in its proposal for this decision, consists of the following:
 - (a) the compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the consolidated group SCR (including the adequacy or inadequacy of the reflection by the group internal model of the overall risk profile of the group), and the rationale for this;
 - (b) if applicable, compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the SCR of the parent undertaking or the related undertaking it supervises (including the adequacy or inadequacy of the reflection by the group internal model of the risk profile of the participating undertaking or the related undertaking), and the rationale for this;
 - (c) whether it would approve or reject the group internal model for the calculation of the consolidated group SCR;
 - (d) whether it would approve or reject the group internal model for the calculation of the SCR of the parent undertaking or the related undertaking it supervises.

8.6 Choice of the calculation method of the group SCR and determination of the proportional share

The group supervisor consults the other supervisory authorities concerned and the group before deciding whether the exclusive application of the accounting consolidation-based method would not be appropriate.

The group supervisor consults the other supervisory authorities in order to decide the proportional share to be taken into account in the cases laid down in Articles 221(2) (a), (b), (c) of the Solvency II Directive.

8.7 Communication on the imposition of a capital add-on under Article 232 of the Solvency II Directive

The group supervisor will communicate to the college any capital add-ons applied, amended or removed at group level, to ensure that the supervisory authorities of related insurance or reinsurance undertakings have an understanding of the risks at group level.

The supervisory authorities communicate to the group supervisor any capital add-ons they have applied, amended or removed to a related insurance or reinsurance undertaking.

8.8 Application for centralised risk management under Article 238 and 239 of the Solvency II Directive

Where a parent undertaking submits an application to subject any of its subsidiaries to the rules laid down in Articles 238 and 239 of the Solvency II Directive, the complete application shall be forwarded without delay by the supervisory authority that received that request to the other supervisory authorities within the college.

The group supervisor shall then propose a meeting to the supervisory authorities from which permission has been sought in order to discuss whether the permission should be granted and the terms and conditions that should apply to it.

The procedures for the consultation and decision making process described in paragraph 8.1 are to be applied among the supervisory authorities concerned.

The group supervisor assures that all other supervisory authorities within the college are kept informed.

8.9 Other specific situations

{more subjects can be added, for example the consultation mechanism for Article 230 of the Solvency II Directive, information exchange and cooperation in case of crucial mergers or acquisitions }

9. Miscellaneous provisions

These coordination arrangements enter into force on [date]. It remains in force for an indefinite period of time unless and until there is no longer legal basis for the operation of the college.

However, any participant may give a written notice with a 30-day notice period to the group supervisor of its intention to terminate its cooperation under the coordination arrangements. The group supervisor informs the other members and participants in writing. Even after termination, information obtained under

these coordination arrangements will be kept confidential as agreed in these coordination arrangements.

Without prejudice to paragraph 7, when a new member or participant joins the college, only the new supervisory authority will sign the existing coordination arrangements.

These coordination arrangements may be amended and further developed as necessary, for example to reflect significant changes of [to be filled in the name of the group] (e.g. overall group structure, risk profile). It may also be amended, if needed, to remain compatible with national law of any member or participant, unless these changes are contrary to Union law. If the changes are not compatible with the third-country participants' national law, the third-country participant may decide to terminate its cooperation under the coordination arrangements in accordance with the conditions stated in this paragraph. {The college decides under which conditions the coordination arrangements are amended, for example time lines for circulating new drafts of the arrangements or the process to reach an agreement on the amended version of the arrangements}

If the group supervisor, after consulting the college, finds it appropriate, the coordination arrangements may also set out procedures for consultation with regards to Articles 213 to 217, 219 to 221, 227, 244 to 246, 250, 260 and 262 of the Solvency II Directive. It is up to each group supervisor to decide whether it wants to include the procedures for consultation on decisions referred to in these articles into the coordination arrangements. This decision should be reviewed when the coordination arrangements are updated.

In the case of an institutional change carried out in the relevant jurisdiction, implying the transfer of supervisory powers to another supervisory authority, the latter authority shall notify in writing the college about the entry in the rights and obligations of each predecessor stipulated by the relevant national law. Such notification shall be made within 30 days from the entry into force of the institutional change.

A summary/copy of the coordination arrangements [will/will not] be provided to the group.

The terms of these arrangements have been understood and accepted by the members and participants and signed by their duly authorised representatives.

Annexes

Annex 1.A: Members and participants of the college; involved parties to the arrangements

Annex 1.B: Group structure and main activities of the group

Annex 1.C: Data set to be systematically exchanged

Annex 1.D: Reporting of risk concentrations and intra-group transactions

Annex 1.E: Emergency plan template

Annex 1.F: List of information that may need to be exchanged within the college in a crisis situation

Signature(s)

for
name of supervisors (supervisory authority), country

Date

Signature 1

Name and Position

Date

Signature 2

Name and Position

Annex 1.E - Emergency plan

**Emergency plan
for colleges of supervisors**

College of supervisors	
Supervised group:	Group supervisor:
<i>[Please insert name of the supervised group]</i>	<i>[Please insert name of the supervisory authority and country]</i>

Information Regarding this Document:

History of changes to the emergency plan				
Version number	Date of change	Responsible group supervisor	Supervisory Authority	Reason for change
0.1	<i>[insert date]</i>	<i>[insert name]</i>	<i>[insert supervisory authority]</i>	First draft version
1.0				

{Explanations or best practices are provided in brackets. They provide guidance to the drafting of individual arrangements which should be adapted to the specific needs of the individual college}

Introduction

This emergency plan will support the management of an emerging crisis by the group supervisor and the college of supervisors. It specifically aims at:

- facilitating the exchange of confidential information on short notice within the college;
- creating transparency with regard to the group structure;
- securing a successful early crisis alert in order to maximise time for coordination and cooperation;
- securing effective and efficient information within the college and to the public in case undertakings that are part of the group encounter difficulties.

This emergency plan defines the means for crisis handling of the [to be filled in the name of the group]. Furthermore it complements the general qualitative guidelines and instructions for handling emergency cases, which are already laid down in several EIOPA documents.

The content of this document shall ensure that every college member and participant has an overview of how the group is structured in order to better assess the cross-border implications of an (emerging) crisis. It will secure quick and confidential handling of information flows between members and participants or with the undertaking, on the basis of the updated contact list referred to in paragraph 1.1 and via predefined secure communication channels.

In an emergency situation a common understanding of the division of tasks regarding communication to the public of the measures taken, outcomes and current status information is crucial. This plan describes therefore a basic pattern which may be adapted to fit the special needs in an emergency situation.

1. Coordination and cooperation in emergency situations

1.1. Supervisory authorities

Contact persons for all the supervisory authorities involved in the supervision of this group, including their alternates, are identified in the Helsinki plus list. This list also includes contact details (see paragraph 5 of the coordination arrangements template and Annex 1.A thereof) of the above mentioned persons, including contact details for an emergency situation, if different.

The Helsinki plus list complements the EIOPA Members and Observers CRISIS Contact list¹³.

1.2. Emergency alert

The supervisory authority, which becomes aware of the emergence of a potentially serious financial disturbance or is aware of facts or events that may give rise to significant problems at the group or individual undertaking level, informs the group supervisor as soon as possible.

The group supervisor will immediately inform all impacted members and participants and EIOPA about the emergence of a potentially serious financial

¹³<https://eiopa.europa.eu/restricted-area/infocenter/directories/members-observers-crisis-contactlist/index.html>

disturbance at group level or any facts or events that may give rise to significant problems for the group or any related undertakings.

{Optional Begin: The lists below should be adapted to the college's needs.}

In the following cases an emergency alert should be given:

Emergency situation at the individual undertaking level:

- non-compliance or risk of non-compliance with the Minimum Capital Requirement;
- significant non-compliance or risk of significant non-compliance with the Solvency Capital Requirement;
- major violation of legal requirements, including governance requirements;
- risk of failure of a reinsurer (external or internal to the group);
- risk of insolvency;
- public investigation against the Administrative, Management and Supervisory Body of an undertaking (e.g. fraud);
- macro-economic and financial developments as well as insurance sector specific developments which may impact the undertaking's or group's financial soundness (e.g. contagion risk);
- breakdown of a crucial IT system;
- threat of a major claims or major mis-selling.

{this list should be adapted to the needs of the college}

Emergency situation at group level:

- non-compliance or risk of non-compliance with the minimum consolidated group Solvency Capital Requirement;
- significant non-compliance or risk of non-compliance with the group Solvency Capital Requirement;
- major violation of legal requirements, including governance requirements;
- unbalanced distribution of own funds: indicator for problems of an individual undertaking;
- liquidity problems caused by the holding structure;
- risk of insolvency of important undertakings that are part of the group;
- major downgrading of the rating of the parent undertaking or a significant undertaking that is part of the group where relevant;
- major fall in share price of listed entities that are part of the group or their main shareholders of the parent undertaking;
- macro-economic and financial developments as well as insurance sector specific developments which may impact the financial soundness of the group (e.g. contagion risk);
- breakdown of a crucial IT system.

{this list should be adapted to the needs of the college}

1.3. Crisis assessment

The group supervisor assesses the nature of the financial crisis and its implications in cooperation with the members and participants concerned and EIOPA in order to reach a common understanding of the crisis within the college as soon as possible.

The objective of the assessment phase is to assess the overall impact of the crisis, including systemic implications, and provide a basis for the decision of whether to intervene, and if so, how to intervene. Systemic implications may occur if an event, such as a failure of an undertaking to meet its obligations, triggers a chain reaction leading to loss of economic value and of confidence in the financial system that has significant adverse effects on the economy.

The assessment of the crisis shall be based on the common analytical framework for assessing systemic implications of a financial crisis established by the Memorandum of understanding on cooperation between the financial supervisory authorities, central banks and finance ministries of the European Union on cross-border financial stability (Brussels ECFIN/CEFCPE (2008) REP/53106 Rev)¹⁴ (hereinafter: 'Memorandum of understanding on cross-border financial stability'). {Emergency plans could usefully include a set of reporting templates to be exchanged in emergency situations.}

An intensive and regular exchange of information between the group supervisor and the members and participants concerned is essential during the assessment of the crisis. In order to take into account confidentiality, information shall only be exchanged via secure communication channels.

1.4. Crisis management

It is the task of the group supervisor to plan and coordinate the supervisory activities in close cooperation with the members and participants concerned, coordinate the management of the situation and inform EIOPA about the activities and the progress made.

A cross-border systemic financial crisis within the meaning of the Memorandum of understanding on cross-border financial stability may require to take actions at the ministries level as well as the involvement of other parties. Crisis management in such cases may differ from the procedures laid down in this emergency plan. {Plans should provide clarity on who would be involved in managing a crisis.} Based on a common assessment of the crisis, the group supervisor and the supervisory members and participants concerned will analyse the need, scope and conditions for any supervisory actions to be taken towards the insurance group or any undertaking that is part of this group. Supervisory actions and information sharing should be coordinated and aligned within the college in order to ensure efficiency and avoid inconsistencies. Another area of useful college preparation would extend to maintaining a log of available powers, time constraints on action and the operation of Insurance Guarantee Schemes, if available.

1.5. External communication

The group supervisor coordinates the communication to the public at each stage of the crisis. Hereby, it ensures that the supervisory authorities concerned take

¹⁴ <https://www.ecb.europa.eu/pub/pdf/other/mou-financialstability2008en.pdf>

into consideration the communication made to the public by the group supervisor.

Communication towards the public is handled in a coordinated fashion at all stages of the crisis, taking into account the possibility of exercising discretion regarding information that should (or should not) be disclosed in order to maintain market confidence.

The members and participants concerned prepare joint public statements even in the case where only one supervisory authority has to make such a statement, when it may have impact on other supervisory authorities concerned.

If it is necessary, in exceptional circumstances members and participants concerned may issue separate statements. However, they shall inform the group supervisor as soon as possible about the issuance of a public statement.

1.6. Communication between the supervisory authorities and the supervised undertakings

Communication at group and individual entity level is prepared and coordinated with all the impacted supervisory authorities. The group supervisor is responsible for communication with the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company on the crisis situation regarding possible supervisory actions, keeping the other relevant supervisory authorities informed on the communication with the group. The supervisors of the individual entities involved in the crisis communicate with these individual entities, keeping the group supervisor up to date of the communication. The group supervisor then informs the other involved supervisory authorities where relevant.

The group supervisor will distribute and receive confidential information in an emergency situation via its secure email infrastructure. This infrastructure should be tested regularly by the group supervisor, the other members and participants.

1.7. Specialised emergency team

In a crisis situation, the college can be organised to offer a combination of different levels of association of members and participants, depending on their specific situation¹⁵. The group supervisor may wish to establish a smaller supervisory team within the college for handling the emergency situation. This may be especially useful if only a part of the group is impacted. In case of a bigger crisis the group supervisor would coordinate the supervisory measures of supervisors of significant entities that are part of the group. The group supervisor informs the college of the establishment of such a team and ensures that the exchange of relevant and essential information within the college is not impaired.

1.8. Information to be exchanged in crisis situations

All college members and participants are able to produce on short notice the updated information included in Annex 1.F: List of information that may need to be exchanged in a crisis situation.

{Information in Annex 1.F is a best practise example and forms the basis for an effective handling of the emergency situation and for information exchange within the college.}

¹⁵ Principle 1 of the Colleges of Supervisors – 10 Common Principles, 27 January 2009, CEIOPS-SEC-54/08.

2. Control mechanism for the emergency plan

The group supervisor is allowed to test the functioning of this emergency plan once a year in order to constantly improve the process of emergency handling in the college. The results of this testing will be discussed within the college.

This emergency plan will be updated at least every 12 months. This includes the verification of all items of this document.

{In case this emergency plan has been updated, the numbering of the front page and in the table on page 2 should be changed.}

Annex 1.F – List of information that may need to be exchanged within the college in a crisis situation

{This list should be adapted to the needs of the college and the context of the emergency situation.}

GS = Group supervisor

IS = Individual undertaking supervisory authority

RSR = Relevant Supervisory Authority = relevant Supervisory Authority other than the insurance supervisory authority

	Type of information	Description	Source
Crisis information and impact assessment			
1	Impacted entities and supervisors thereof	The undertaking in crisis and undertakings with exposures to the undertaking in crisis or likely to be impacted through the possible contagion channels.	IS, GS
2	Description of the crisis	The cause of the problem which requires intervention of supervisory authorities. Is the crisis a generic crisis potentially affecting the financial system as a whole or is the crisis specific to the group and/or one of its undertakings?	IS, GS
3	Size of the undertaking(s)	Size of the undertaking(s) in crisis: total assets and premium income.	IS, GS
4	Significance of the impacted entity(ies)	Is the undertaking(s) significant for the group and/or material in the local market (see criteria in Guideline 2 of the Guidelines on the operational functioning of colleges of supervisors)?	IS, GS
5	Deficiency issues	Description of the failures that may have caused or may exacerbate the crisis (e.g. fraud, problems with IT systems, legal or regulatory issues).	IS, GS
6	Financial Market impact	Is the crisis affecting the financial markets? Holdings of shares, bonds etc. Market price data on the undertaking that is part of the group (including the parent undertaking). If the undertaking that is part of the group (including the parent undertaking) must sell part of its assets, may it lead to or strengthen a downward cycle in the financial markets (procyclicality)?	IS, GS
7	Systemic assessment results	Outcome of the assessment of the systemic nature of the financial crisis.	GS, IS
Actions and resolution measures			
8	Measures and recovery actions by the group	Measures and actions taken and planned by the undertaking/group, and its impact on the solvency and financial position.	GS, IS
9	Actions taken by	Description of the action, its purpose and	RSR, GS,

	supervisors	effect.	IS
10	External communication	Information on communication made without involving all supervisors.	RSR, IS, GS
11	Legal powers	Description of the powers of the supervisory authorities including restrictions, transfer of capital, and non-compliance with regulatory requirements.	RSR, IS, GS
12	Existing national safety net arrangements	State guarantees or insurance guarantee schemes, extent of coverage, level, source of funds.	GS, IS
13	Public disclosure requirements	Information of relevant public disclosure requirements applicable for the group other than the ones foreseen in the Solvency II Directive.	RSR, IS, GS
	Business		
14	Ownership and legal and organisational structure	Developments/changes in the ownership structure and legal and organisational structure, including where applicable holdings in related undertakings.	SFCR, and RSR following pre-defined events. IS, GS
15	Material lines of businesses and material geographical areas	Description of the undertaking(s) material lines of businesses and material geographical areas where business is written.	SFCR. IS, GS
16	Recent mergers, takeovers and acquisitions	Information on implications on the undertaking's business, system of governance, risk profile and solvency and financial position.	RSR following pre-defined events, IS, GS
17	Changes in the business strategy	Reasons for the change or delay in implementing strategies of which supervisory authorities are aware of.	RSR following pre-defined events, IS, GS
18	Intra-group transactions (IGT)	Information on relevant operations and transactions within the group, with a special focus on very significant intra group transactions.	SFCR and RSR following pre-defined events, GS
	Governance		
19	Significant governance failures	Information on significant governance failures if not already previously described, including information on the impact of the failure on the undertaking(s) and the action taken in response to it. Where applicable reference to crisis management and contingency plans.	RSR following pre-defined events, IS, GS
20	Outsourcing	Information on the outsourcing of any critical or important operational functions or activities	SFCR, GS, IS

		and the jurisdiction in which the service providers of such functions or activities are located.	
21	ORSA	Information on eventual additional ORSA's on account of significant change in risk profile including proposed management actions considered necessary and planned capital measures.	RSR following pre-defined events, IS, GS
Risk information			
22	New, emerging internal or external risks of a material nature	Details on emerging risks and information on their actual or potential impact as well as identified mitigation plans (whether planned or already in place).	RSR following pre-defined events, IS, GS
23	Prudent person principle	Concerns on the compliance with the prudent person principle (e.g. risk of a negative overall return).	RSR, IS, GS
24	Liquidity risk	Concerns on liquidity problems. Information on the liquidity position, the sources of liquidity and short term liabilities.	RSR, IS, GS
25	Risk sensitivity	Information on relevant stress tests and scenario analysis.	RSR, IS, GS
Solvency and Financial Condition			
26	Balance sheet, own funds and capital requirements	Last reported templates on balance-sheet and own funds	Quantitative Reporting Templates, IS, GS
27	Changes in own funds levels, MCR, SCR, technical provisions and/or other balance sheet items	Amount and reason for the changes and consideration of any potential or actual consequence of those changes. In relation to technical provisions, information can include details on emergence of any future claims that have not been include in previous reported technical provisions.	RSR following pre-defined events, IS, GS
28	Availability of capital	A description of any item deducted from own funds and a brief description of any significant restriction affecting the availability and transferability of own funds within the undertaking or group. Capital ability to absorb the impact of the crisis. Group's ability to raise additional capital and an indication where it may be able to source this capital from.	SFCR and RSR, GS, IS
29	Allocation of capital and possibility of transferability	If available, how the capital is allocated within the group and discussion on the possibility of transferring the capital within the group (e.g. through intra-company loans, reinsurance dividends).	RSR: GS

2. Explanatory text

Section 1: Establishment of the college

Guideline 1 - Mapping of the group and identification of members and participants of the college

The group supervisor or, if not yet designated, the supervisory authority which would be the group supervisor if the criteria set out in Article 247(2) of the Solvency II Directive were to apply, should map all the related undertakings and branches of the group in order to determine the group structure and identify all members and participants of the college.

The mapping should be reviewed at least upon modification of the group structure in order to allow the college to review the appropriateness of members and participants of the college and confirm that there is no need for designating another supervisory authority as the group supervisor.

In addition, the group supervisor or the supervisory authority which would be the group supervisor if the criteria set out in Article 247(2) of the Solvency II Directive were to apply should require the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company to perform and submit an initial analysis of its group structure including an assessment of any dominant or significant influence effectively exercised over an undertaking by another undertaking that is part of the group, as well as to provide information on branches in the group.

The supervisory authorities of the Member States concerned agree on the designation of the group supervisor as a priority, in accordance with the mapping of the group.

For the purpose of the mapping, the group supervisor identifies all related undertakings and branches, regardless of whether they are situated in the EEA or third countries.

The group supervisor assesses whether the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company effectively exercises dominant or significant influence over the undertakings in order to draw-up a complete mapping. This is also relevant for insurance groups comprising mutual financial undertakings with no cross-ownership.

The mapping process is expected to be carried out in dialogue with the other supervisory authorities identified.

Without prejudice to any own assessment, the group supervisor asks the participating insurance or reinsurance undertaking or the insurance holding company of the group or the mixed financial holding company to assess if there is significant influence effectively exercised over an undertaking by another undertaking that is part of the group.

The mapping is reviewed when necessary, e.g. when a new subsidiary is established.

Guideline 2 - Criteria for assessing the significance and materiality of related undertakings

The supervisory authorities identified in the mapping process as members and participants of the college should contribute to the assessment performed by the group supervisor of the undertakings' significance and materiality together with the rationale for that assessment.

When assessing the significance of undertakings within the group, supervisory authorities should consider at least the following factors:

- a) the ratio of the balance sheet of an undertaking to the total balance sheet of the group;
- b) the proportional contribution of an undertaking to the group Solvency Capital Requirement;
- c) the proportional contribution of an undertaking to the group own funds;
- d) the contribution of an undertaking to the performance and earnings of the group as a whole;
- e) the role of the undertaking within the group's organisational structure, systems, and controls; its risk management functions and senior management oversight for monitoring and controlling risks in the undertakings;
- f) the level of influence exercised over the undertakings;
- g) the interactions between undertakings.

When assessing the materiality of undertakings in the local market, supervisory authorities should at least consider the following factors:

- a) the market share of the undertaking;
- b) the role of the undertaking in specific markets;
- c) the ratio of the total balance sheet of the group to the total balance sheet of all groups in a particular Member State or a third country;
- d) the level of risk to which the undertaking is exposed and potential effect on the local market;
- e) the role of the undertaking in the infrastructure of the financial system.

The assessment of the significance and materiality of related undertakings may include a broader set of factors than those listed in this guideline. The factors considered for this assessment may be used separately or in combination.

The contribution of members and participants to this assessment is essential and only possible under the condition that supervisory authorities of individual undertakings share relevant information with the group supervisor, such as market shares and balance sheets of related undertakings.

[Article 354 of the Implementing Measures] set out criteria for identifying EEA significant branches.

Guideline 3 - Results of the assessment of the significance and materiality of branches and related undertakings

The group supervisor should consider and use the results of the significance and materiality assessment to decide whether to invite the supervisory authorities of significant branches and related undertakings to the college meetings, as well as to decide on the organisational structure of the college and its work plan.

First, the assessment of the significance and materiality of related undertakings will provide necessary information to decide on the participants to the college meetings.

As stated in Article 248(3) of the Solvency II Directive, EEA supervisory authorities of significant branches as well as EEA supervisory authorities of undertakings in which a participation is held and third-country supervisory authorities of related undertakings are allowed to participate in the college for the purpose of an efficient exchange of information. For related undertakings, the group supervisor has to make a decision based on its understanding of the relationships with the group. Authorities responsible for supervision of credit institutions and investment firms may also be invited by the group supervisor to participate in the college pursuant to Article 252 of the Solvency II Directive.

Since the group solvency calculation may include participations in related third-country undertakings, supervisory authorities of third-country undertakings are invited to participate in the college when deemed necessary, under conditions specified in Guideline 4. The contribution of third-country supervisory authorities may be relevant to a proper understanding of the group risk profile. Therefore the group supervisor identifies third-country supervisory authorities of those undertakings that may have a material contribution to the risks of the group, in accordance with the criteria defined in Guideline 2. Furthermore, in order to enhance the efficiency of group supervision, members and participants can decide jointly to cooperate on an ad-hoc basis with competent authorities which cannot be invited as participants, subject for third-country authorities to conditions of equivalence of professional secrecy rules, as specified in Guideline 4.

In order to determine the appropriate level of ad-hoc cooperation with supervisory authorities that cannot be invited as participants, the criteria set out in Guideline 2 can also be applied to:

- EEA branches that do not qualify as significant branches under [Article 354 of the Implementing Measures];
- third-country branches.

EEA and third-country supervisory authorities of the undertakings from other financial sectors may be invited as participants of the college. For the purposes of this assessment, the group supervisor considers the professional secrecy requirements established in the applicable sectoral legislation, any memoranda of understanding between the members and participants of the college and the supervisory authorities from other financial sectors, and any constraints placed on the sharing of information.

Second, the assessment of the significance and materiality of related undertakings enables the supervisory authorities concerned to start forming a

shared view on the risks of the group, in order to enhance risk-based supervision, both at group and individual undertaking level. For example, it is useful to determine whether certain members or participants have special information needs.

Guideline 4 - Invitation of third-country supervisory authorities

When third-country supervisory authorities are invited to join the as participants, the group supervisor should request them to sign the coordination arrangements and to demonstrate that they can comply with the coordination arrangements under their national legislation. In particular the third-country professional secrecy requirements need to be assessed by reference to the requirements provided for in Article 66 of the Solvency II Directive.

If the third-country supervisory authorities cannot provide their consent to the coordination arrangements, including compliance with professional secrecy requirements, the group supervisor should adapt the organisation of the college accordingly in a way that confidentiality and professional secrecy are ensured in all circumstances

For the purposes of the involvement of third-country supervisory authorities, the provisions regarding professional secrecy requirements are provided for in Articles 64 to 70 of the Solvency II Directive.

In the absence of a decision by the European Commission on the equivalence of the prudential regime for the group supervision of a third country, the group supervisor assesses it in consultation with the other members and participants, based on the criteria set out in the Solvency II Directive and the Implementing Measures. The outcome of the assessment undertaken by the group supervisor needs to be endorsed by all the members and participants.

For the purposes of the assessment of professional secrecy requirements of the third country, the group supervisor considers the provisions established in the third country's legislation and may take into account any memoranda of understanding between the Member States and third countries and any constraints on sharing of information.

When third-country supervisory authorities cannot comply with certain requirements of the coordination arrangements, they cannot be invited to sign the coordination arrangements and therefore cannot obtain access to confidential information. In such a situation, the group supervisor needs to explore alternative solutions such as restricted meetings, separate memoranda of understanding, limited involvement in college activities etc.

Section 2: Initial meeting of the college

Guideline 6 - Schedule of the initial meeting

After finalising the mapping of the group's structure and the assessment of the significance and materiality of branches and related undertakings, and not later than three months from the finalisation of the mapping of the group, the group supervisor should schedule the initial meeting of the college.

In case a college is already established at the date of application of these

guidelines, the group supervisor should assess compliance of the operational functioning of the college with these guidelines and aim at adapting its functioning where necessary.

Under exceptional circumstances, the meeting may take place after this three-month period, within a reasonable timeframe.

Guideline 6 does not apply when a college is already in place.

Guideline 7 - Agenda of the initial meeting

The group supervisor should include in the agenda of the initial college meeting at least the following items:

- a) the formal designation of the group supervisor;
- b) a description of the scope of group supervision including, where applicable, an explanation from the group supervisor of its decision to exclude an undertaking from the scope of group supervision;
- c) an explanation by the group supervisor of the rationale of its initial mapping and any significant departure from the assessment of other members or participants;
- d) a proposal for the coordination arrangements in order to determine the organisational structure of the college and the means of exchange of information among members and participants.

The group supervisor should circulate the initial proposal for the coordination arrangements of the college at least four weeks in advance of the meeting, in order to initiate the six-month period referred to in Guideline 8.

Guideline 7 does not apply when a college is already in place.

Guideline 8 - The coordination arrangements

The group supervisor should draft the coordination arrangements on the basis of the template provided in Annex 1. The group supervisor should be allowed to amend and further develop the template including deadlines and timeframes, where appropriate to suit the needs of the college. It should explain in writing the rationale for these amendments and further developments to the other members and participants.

Members and participants should reach an agreement and sign the coordination arrangements within six months from the date on which the arrangements are proposed formally to them by the group supervisor, as provided for in Guideline 7. The coordination arrangements should determine when and under which conditions it comes into force.

The coordination arrangements should be drafted in English unless otherwise agreed by members and participants.

Where necessary, each supervisory authority is responsible for translating the coordination arrangements into its own language.

The coordination arrangements can be further developed in accordance with the needs of the college, depending on the nature, scale and complexity of the risks

inherent to the activities of the group and the undertakings that are part of the group.

Section 3: On-going functioning of the college

Guideline 9 - Organisational structure and specialised teams

In determining the organisational structure of the college, the group supervisor should take into account the significance and materiality of related undertakings. Where appropriate, the group supervisor should establish different specialised teams for certain work streams or projects. Members of the college should agree on the composition, the chair and the objectives and purpose of each specialised team, including how the specialised team will report their conclusions to the college.

Where specialised teams are created within the college, the group supervisor should ensure the coordination of the work of these teams.

Members and participants of the college, including those members and participants not involved in specialised teams, should be regularly informed of the developments made by specialised teams, where appropriate.

The circumstances under which a college operates may vary considerably depending on the structure of the group, e.g. a participating undertaking with only one small subsidiary abroad or a participating undertaking with hundreds of subsidiaries and branches worldwide. Therefore the group supervisor decides, after consulting with the other members, what organisational structure would suit the college best in order to fulfil its tasks. This could lead to colleges with a rather simple or a more enhanced organisational structure.

Effective functioning of the college may require that some activities are carried out by a reduced number of supervisory authorities¹⁶. Therefore the group supervisor may want to establish different specialised teams for certain work streams or projects. These teams would comprise a reduced number of supervisory authorities.

Below there are examples of different organisational structures of colleges:

- permanent specialised teams can involve a limited number of members and participants depending on the topics to be discussed, for example regional matters. They can decide on the allocation and sharing of specific tasks among their members, coordinate specific risk assessments or prepare joint measures;
- specialised project teams can involve a limited number of college members and participants with special expertise, working together on a specific supervisory issue for a certain period of time, e.g. preparatory work for the assessment of an internal model.

Guideline 10 - The main tasks of the group supervisor

The group supervisor should take the lead in the college's activities, chair its meetings and establish an appropriate mechanism to facilitate its operational

¹⁶ Article 248 (3), third paragraph of the Solvency II Directive.

functioning. To this end, the group supervisor should among other activities:

- a) update the contact details of members and participants whenever changes occur on the basis of the reviews sent by the other members and participants;
- b) inform the other members and participants, within a reasonable time to be determined in the coordination arrangements, that a college meeting will be held, without prejudice to ad-hoc or emergency situations;
- c) prepare the agenda of the college meetings with clearly defined objectives;
- d) record minutes of the college meeting;
- e) formalise and follow up action points agreed upon by members and participants;
- f) develop the college work plan in cooperation with the other members and participants;
- g) perform supervisory review and assessment of the financial situation of the group and, in order to facilitate this task, consult the other members and participants;
- h) review the organisational structure and the coordination arrangements with a view to maintaining efficient group supervision;
- i) engage in a discussion regarding the need to designate a new group supervisor in case a modification of the group structure could lead to such a decision.

The group supervisor acts as a central point of contact for any matter related to the practical organisation of the college.

The objectives of any college meeting need to be clearly identified in the agenda. These objectives are formulated in terms of issues to be discussed and input expected from members and participants.

Guideline 12 - The college work plan

The group supervisor should draw up a college work plan for the purpose of group supervision and update it as soon as circumstances require it. Members and, when concerned, participants should discuss and agree on the college work plan. This should not prevent any supervisory authority from drawing up an individual supervisory plan for an insurance or reinsurance undertaking that is part of the group.

The college work plan should assist the college with planning and coordinating the main types of supervisory activities, for both on-site including joint on-site examinations, and off-site work. It should also include the relevant aspects of the group supervisory plan. All planned major on-site examinations of the most significant entities to be performed in the forthcoming year by the group supervisor and the other members and participants should also be included in the college work plan, regardless of whether they are joint examinations or not. Furthermore, the college work plan should specify which member or participant is responsible for each planned examination.

In addition, the college work plan should include the scheduled recurring key

meetings and the authorities that will participate in these meetings.

Independently from the updates mentioned in the first paragraph, a critical review of the outcome of the college work plan should be conducted periodically within the college. The group supervisor should carry out this review at least annually when assessing the college's performance.

The college work plan is a document that sets out the college's planned activities, usually within a one year time-frame. It is intended to assist the college with planning and coordinating supervisory activities, including allocation of resources, related to the group and the insurance and reinsurance undertakings that are part of the group.

The college work plan contains relevant aspects of the group supervisory plan, details of major on-site examinations and planned activities for certain decisions to be taken at group level (for example, regarding group internal models under Article 231 of the Solvency II Directive).

An individual supervisory plan for an insurance or reinsurance undertaking that is part of the group is developed for the purposes of supervising an individual entity, while the college work plan is prepared for the purposes of supervising the group.

Guideline 13 - Communication channels

To ensure efficient information sharing, members and participants should consider using the full range of communication channels within the college, provided that the confidentiality of data is secured.

Given the importance of information flows within the college, the development of a secured website platform needs to be considered. Such a device can be particularly useful when exchanging sensitive information and for enhancing the efficiency of the functioning of the college, especially if it involves a large number of supervisory authorities.

Guideline 14 - Cooperation between supervisory authorities in the context of the supervisory review process

College members and, where relevant, participants should cooperate and exchange information within the college to enable the college to form a shared view of the risks of the group as part of the supervisory review process.

The nature of the supervisory review process (SRP) is such that it can involve different supervisors at different times, and each SRP will differ depending on the current risks of the group. Because of this, the SRP can involve delegation of tasks within the college and coordination by the group supervisor, without the establishment of a specialised team. The work on the SRP will be based on the college work plan but may also include other tasks.

The communication between supervisors and their involvement in the SRP is guided by the principles of risk-based supervision and proportionality. Communication is exercised in a way that enhances supervision and does not result in disproportionate and excessive administrative burden.

The Solvency II Directive provides flexibility to the college to organise its functioning in coordination arrangements set out in Article 248(4) of the

Solvency II Directive and [Article 355 of the Implementing Measures]. The college may choose to establish a formal communication process for the SRP as part of its coordination arrangements, or use ad-hoc communication process, possibly using the processes set out in Guideline 20.

An appropriate level of communication within the college is required. This may include notifying other supervisory authorities and the group supervisor, sharing information, giving other supervisors opportunities to provide feedback before making decisions, consultation, discussions and conducting analysis or activities together with other supervisory authorities.

The involvement of participants in the cooperation and exchange of information within the college, in order to form a shared view on the risks of the group, depends on the relevance and materiality of the risks of the branch or undertaking towards the group.

Guideline 15 - Communication with supervised undertakings

Except in the situation described in the first paragraph of Article 251 of the Solvency II Directive, the group supervisor should be responsible for the communication with the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company. In the situation described in the first paragraph of Article 251 of the Solvency II Directive, the supervisory authority of the Member State in which a parent undertaking has its head-office should be responsible for the communication with that undertaking. The other members and participants should be responsible for the communication with individual undertakings.

Members and participants should coordinate information requests sent to the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company and individual undertakings that are part of the group in order to avoid duplication.

The group supervisor should periodically organise multilateral meetings between members and participants and the administrative management, the supervisory body or other representatives of the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company of the group, or a representative of any relevant entity that is part of the group.

Where relevant, the group supervisor should provide to the group the draft agenda in advance of the meeting.

The group supervisor may organise additional meetings between members and participants of the college or any specialised team and representatives of the supervised group (e.g. financial, risk, internal control or audit functions) when deemed appropriate to prepare joint assessments or coordinate measures. Areas for discussion may cover parts of the college work plan, the review of internal models, the risk assessment and review of the ORSA, risk management issues, specific developments regarding cross-border activities of the group, etc. Discussions are often based on presentations made by the group and followed by questions and answers sessions. The supervised group receives, as a follow-up to the meetings, feedback on areas of supervisory concern identified by members and participants or, where appropriate, responses to the questions raised by the insurance group representatives during those meetings.

Guideline 16 - Consultation process within the college

When consulting other supervisory authorities concerned under the relevant provisions of the Solvency II Directive, the group supervisor or, where relevant, any other member or participant, should respect the following procedure:

- a) it should send a written proposal with supporting reasons to supervisory authorities concerned and a copy to the other members and participants where appropriate, in order to ensure an efficient exchange of information;
- b) it should allow supervisory authorities concerned to respond within a timeframe determined in the coordination arrangements;
- c) where applicable, it should also send a written proposal to the group and allow the group to respond within an agreed timeframe;
- d) it should organise a meeting to discuss the relevant issues if deemed necessary by any supervisory authorities concerned;
- e) it should send the final decision to members and, where appropriate, to participants, together with the opinions of the supervisory authorities concerned as well as of the group, and, where applicable, the reasons to deviate from these opinions.

This guideline refers to all types of consultations including:

- consultations in specific cases provided for in Article 248(5) of the Solvency II Directive;
- other cases when consultations are necessary, not specified in the Solvency II Directive.

With regard to the consultation process mentioned in Article 248(5), second paragraph, point (a) of the Solvency II Directive, the group supervisor takes the initiative in the consultation process with the college. However, with regard, for example, to Articles 250 and 258 of the Solvency II Directive, the initiative lays with either the group supervisor or other relevant supervisory authorities. With regard, for example, to Articles 220, 230, 221, 244, 245 of the Solvency II Directive, the group is consulted as well. Finally, with regard to Article 260 of the Solvency II Directive, EIOPA is also consulted.

The decision to be communicated to the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company of the group does not contain deviating opinions.

Guideline 17 - Communication with the group supervisor before setting a capital add-on for a related undertaking

The supervisory authority responsible for the supervision of an insurance or reinsurance undertaking that is part of the group should inform the group supervisor, who should immediately inform the other members and participants, when it concludes that:

- a) the risk profile of the undertaking deviates significantly from the assumptions underlying the calculation of the Solvency Capital Requirement;

- b) the system of governance of the undertaking deviates significantly from the standards laid down in Articles 41 to 49 of the Solvency II Directive, which prevents the undertaking from properly identifying, measuring, monitoring, managing or reporting the risks that it is or could be exposed to; or
- c) the undertaking applies the matching adjustment referred to in Article 77b of the Solvency II Directive, the volatility adjustment referred to in Article 77d of the Solvency II Directive or the transitional measures referred to in Articles 308c and 308d of the Solvency II Directive and the risk profile of that undertaking deviates significantly from the assumptions underlying these adjustments and transitional measures.

Pursuant to Article 37 of the Solvency II Directive, the possibility to set a capital add-on exists inter alia where the supervisory authority concludes that cases stipulated in Article 37(1) (a-c) of the Solvency II Directive take place, i.e. where certain significant deviations are identified. When a supervisory authority concludes that such a significant deviation occurs, it is empowered to set a capital add-on if other conditions stipulated in Article 37 of the Solvency II Directive are met.

In order to ensure that a group supervisor is aware of identified deviations and the possibility of imposing a capital add-on at the level of a particular insurance or reinsurance undertaking, the supervisory authority concerned informs the group supervisor at the outset of this procedure.

This guideline applies without prejudice to the provisions of Article 250 of the Solvency II Directive. Since the identification of significant deviations and the imposition of capital add-ons usually take place at different points in time, the college needs to be consulted on the decision to impose capital add-on.

Guideline 19 - Ad-hoc exchange of information

For information that is not covered by exchange of information on a systematic basis and where it is not stated otherwise in the Solvency II Directive or in the Implementing Measures, when a member or a participant becomes aware of relevant information, the following procedure for ad-hoc information exchange within the college should apply:

- a) members and participants should inform the group supervisor of all relevant information;
- b) the group supervisor should request further relevant information for group supervision, where appropriate;
- c) the group supervisor should send as soon as possible to the other members and participants any relevant information that they may need to assess;
- d) members and participants should request from the group supervisor further relevant information concerning the individual undertakings under their supervision, where appropriate;
- e) members and participants should inform the group supervisor of the supervisory actions and measures that they have taken or intend to take including the main findings and conclusions of such actions, where relevant.

If this information concerns the group, the following procedure for ad-hoc information exchange within the college should apply:

- a) the group supervisor should inform the other members and participants of any relevant information to them as soon as it becomes available;
- b) members and participants should request further relevant information concerning the individual undertakings under their supervision, where appropriate;
- c) the group supervisor should inform the other members and participants concerned of the supervisory actions and measures taken at group level, where relevant.

Emergency plans are prepared in accordance with the emergency plan template (Annex 1.E to the coordination arrangements template).

Relevant information to be exchanged on an ad-hoc basis refer to any situation that could affect the financial and solvency position of the individual undertaking, regarding for example solvency ratios, risk exposures, intra-group transactions, transferability of specific own funds, including a pre-defined event or an emergency situation.

Section 4: Joint and local examinations

Guideline 20 - Joint on-site examinations

Any EEA member or participant of the college who wishes to verify information in accordance with Article 255 of the Solvency II Directive, which it deems appropriate for the supervision of the group or entities within the group, should be able to request a joint on-site examination mentioning its scope and objective, after having taken into account the need to avoid duplication of effort between supervisory authorities. The information to be verified should be needed for supervisory purposes including, but not limited to, supplementing the off-site analysis, helping detect problems that may not be apparent through off-site analysis, taking into account the environment in which the undertakings operate.

The supervisory authority requesting a joint on-site examination should inform the group supervisor by indicating the scope and purpose of it. The group supervisor should then notify EIOPA as well as the other members and participants that may be affected by or interested in participating in the on-site examination or its outcome. Once the participating authorities have been identified, they should discuss and agree on the final scope, purpose, structure and allocation of tasks of the examination, including who will be leading the on-site examination.

The group supervisor should be kept informed on the progress and findings of the joint on-site examination.

Joint on-site examinations can be of particular value where a joint decision must be made by supervisors. The term on-site examination is used to refer to all kinds of on-site examinations. Verifying information is not limited to checking information for accuracy based on what has already been submitted by the undertaking, or from off-site analysis carried out by members and participants. It

includes in the broadest sense investigating, probing and evaluating any information needed for the supervision of the undertaking or the group.

The scope of information to be verified during a joint on-site examination includes any information related to issues identified in the outcome of the Risk Assessment Framework of the group or undertakings that are part of the group, in the college work plan or in the off-site analysis carried out by members and participants.

Should the relevant supervisors not agree to the request, the matter can be referred to EIOPA for mediation under Article 255 of the Solvency II Directive.

Section 5: Sharing and delegation of tasks

Guideline 22 - Organisation of sharing and delegation of tasks

Where members and participants consider that sharing and delegating tasks lead to more effective and efficient supervision, such as avoiding duplication of tasks, optimising supervisory resources and expertise, removing unnecessary burden for the supervised undertakings, they should document it in the coordination arrangements and the college work plan as specified in Guideline 24.

The supervisory authorities involved should ensure that sharing and delegating tasks are consistent with the structure and organisation of the group and proportionate to the nature, scale and complexity of the risks inherent to the activities of the supervised undertakings.

Sharing and delegating tasks should not alter the allocation of supervisory responsibilities or liabilities of members and participants with respect to the supervised undertakings.

The sharing and delegation of tasks is voluntary. No authority can be forced to share or delegate tasks or to accept sharing or delegation of tasks. In practice, if an authority refuses a request for sharing or delegation of tasks, it would be beneficial if it communicates its reasons, at least to the requesting authority.

Examples of supervisory areas which could be delegated or performed jointly are, inter alia, tasks related to internal model approval, supervisory review including ORSA, on-site examinations or gathering and dissemination of information. In particular, when a significant part of the group is supervised on a sub-group basis, the group supervisor may delegate some of its college-related tasks to the supervisory authority responsible for the group supervision at the sub-group level, to be carried out within a specialised team.

The sharing and delegation of tasks can be extended, particularly when the supervisory authority to whom the task has been entrusted remains best placed for carrying out the activity for a longer period of time.

Because of the voluntary nature of sharing and delegation of tasks, delegation and sharing arrangements may provide for the possibility of early termination by notifying the other authority involved reasonably in advance. Such arrangements include an appropriate 'exit strategy'.

The allocation of tasks within the college may follow the organisation of the group in terms of centralisation/decentralisation and in terms of organisation in

business lines. The significance and materiality of the entity are taken into account.

Guideline 23 - Procedures for sharing and delegating tasks

Before sharing or delegating any task, the supervisory authorities involved should ensure under the coordination of the group supervisor that a common agreement is reached at least on:

- a) the role and the responsibilities of the supervisory authorities involved;
- b) the terms under which the supervisory authorities involved will report to each other;
- c) the standards under which tasks should be executed;
- d) the possible instructions provided by the supervisory authorities involved to each other;
- e) the confidentiality provisions that will govern the exchange of information;
- f) the working methods to be used;
- g) the access to the documentation produced by the supervisory authorities involved;
- h) the timetable for completion of the delegated or shared tasks.

In the case of delegation of tasks, the delegate communicates to the delegating authority sufficiently detailed information on the outcome of the delegation and, if necessary, they discuss and agree on the wording of the documentation. Relevant information is exchanged between members and participants before, during and after the execution of the delegated or shared tasks.

Guideline 24 - Documentation of sharing and delegation of tasks within the college

Members and participants should provide the framework for sharing and delegating tasks in the coordination arrangements and include the specific tasks to be shared or delegated, with the expected timeline, in the college work plan.

The coordination arrangements within the college provide the general basis for the sharing or delegation of tasks that takes place within the college. For specific sharing and delegation of tasks, the supervisory authorities involved agree on the terms and practical organisation and include the terms and conditions in the college work plan. This is particularly important when the authority legally responsible will not be performing the main part of the supervisory task which has been delegated.

The college work plan includes the timeline of the task to be performed jointly or on a delegated basis.

Members and participants include in the college work plan the following:

- information to be exchanged (e.g. information drawn from regulatory reports and examination reports);

- the language, frequency and the means or forms of this information exchange;
- in the case of delegation of tasks, the extent to which the delegating authority will give instructions to the delegate and will be involved in its work, as well as the frequency of such involvement.

Guideline 25 – Communication to supervised undertakings on sharing and delegation of tasks

The supervisory authorities involved should provide to the undertakings concerned by sharing and delegation of tasks the following information:

- a) identification of shared or delegated tasks including practical implications for the undertaking;
- b) the authority in charge of communication with the undertaking.

Unless agreed otherwise between the group supervisor and the other supervisory authorities involved in the sharing or delegation of tasks, the group supervisor and the other supervisory authorities involved are responsible for communicating the information mentioned in this guideline, respectively, to the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company and the relevant entities within the group.

Supervised undertakings affected by the sharing and delegation arrangements need to be clearly informed that sharing and delegation of tasks does not alter the allocation of supervisory responsibilities with regard to the supervised undertakings.

Section 6: Connection between prudential supervision and macro surveillance

Guideline 26 - Impact of market-wide risks and financial sector developments on prudential supervision

When assessing the risk profile of the group, the group supervisor should, with the involvement of the other members and participants, take into account the impact of the market-wide risks, financial sector developments and vulnerabilities on the financial situation of the group.

Where tools such as stress tests are used to assess the resilience of the group to various forward-looking adverse scenarios, the processes, methodologies and outcome of these assessments should be discussed within the college.

Below are examples of information to be considered by colleges in their risk analyses:

- EIOPA coordinated EU-wide stress test exercises. In order to identify which entities of the group are most vulnerable to the stressed risks, the stress test results need to be discussed by the college. Feedback on stress test results and planned actions allow EIOPA to identify vulnerabilities across groups.

- Semi-annual EIOPA Financial Stability Reports and Joint Committee Risk Subcommittee Reports can be used to evaluate the impact of certain risks and trends on groups.
- The results of EIOPA quarterly Risk Dashboard, identifying the main risks for the insurance sector, such as the impact of the deterioration of financial markets, contagion risks and adverse economic developments, can be used by colleges to assess the relevance of such risks in their respective groups.