

Solvency II Circular for Insurance and Reinsurance Undertakings

The purpose of this circular is to communicate the qualitative reporting requirements concerning groups under Solvency II.

The participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company are required to prepare the Group Supervisory Own Risks and Solvency Assessment (“ORSA”) Report, the Group Solvency and Financial Condition Report (“SFCR”) and the Group Regular Supervisory Report (“RSR”) on at least an annual basis.

1. Group Supervisory ORSA Report

The Group Supervisory ORSA Report will take the form of a Single ORSA document. The Single ORSA document refers to a single document (supervisory report of the ORSA) which covers the ORSA undertaken at the level of the group and at the level of the subsidiaries in the group on the same reference date and period, subject to supervisory approval, as referred to in regulation 34(7) and 34(9)(c) of the Insurance Business (Supervision of Insurance and Reinsurance Undertakings in a Group) Regulations, 2015 (Legal Notice 410 of 2015).

The specific requirements for a Single ORSA document are provided in Part II of the Annex to Chapter 6: System of Governance of the Insurance Rules issued under the Insurance Business Act (Cap.403).

2. Group SFCR

The Group SFCR Report will take the form of a Single SFCR. The requirements for the Single SFCR are provided in Articles 365 to 371 of the Commission Delegated Regulation 2015/35.

3. Group RSR

The Group RSR Report will take the form of a Single RSR. Whilst there are no specific requirements for the Group RSR, undertakings shall be guided by the requirements of the Single SFCR. In this respect, please refer to paragraph 8.10 of Chapter 8: Financial Statements and Supervisory Reporting Requirements of the Insurance Rules issued under the Insurance Business Act (Cap.403).

4. Contacts:

Any queries in relation to the above should be addressed to the Insurance and Pensions Supervision Unit on ipsu@mfsa.com.mt.

Communications Unit

Malta Financial Services Authority

7 March 2016