

SCHEDULE 1: SOLVENCY II - List of Work Areas and Timing of Calls for Advice

Important note : At the Insurance Committee on 30th June 2004, it was decided that occupational pensions was an important and separate subject that should be addressed at a later date, but not now.

(references to footnote in brackets)

version 02/06/2004

| Request No. | Area of work | Pillar (1) | | | MARKT paper ref. | | | Timing:advice(2) | | | Comments |
|-------------|--|------------|---|---|------------------|---------|---------|------------------|-----|-----|--|
| | | 1 | 2 | 3 | 2539/03 | 2543/03 | 2502/04 | 1st | 2nd | 3rd | |
| | Technical provisions, life (3) | x | | | 3.2.1 | 4 | | | x | | Further analysis on CEIOPS initiative welcome |
| | Technical provisions, non-life (3) | x | | | 3.3.1 | 5 | | | x | | Further analysis on CEIOPS initiative welcome |
| | Solvency Capital Requirement, life (4) | x | | | 3.4.2 | 6 | | | x | | Further analysis on CEIOPS initiative welcome |
| | Solvency Capital Requirement, non-life (4) | x | | | 3.4.2 | 6 | | | x | | Further analysis on CEIOPS initiative welcome |
| | Safety nets/measures (MCR-minimum capital requirement) | x | | | 3.4.1 | | 4 | | x | | Further analysis on CEIOPS initiative welcome |
| | Forms of eligible solvency capital | x | | | | | 4 | | x | | |
| | Internal models | x | | | 3.4.3 | | | | x | | Further analysis on CEIOPS initiative welcome |
| | Validation criteria | x | x | | 3.4.3 | | | | x | | |
| 5 | Investment management rules | x | x | | 3.2.2 | | 2 | x | | | |
| 6 | Asset-liability management | x | x | | 3.2.2 | | 3 | x | | | |
| | Objective of supervision | | x | | 3.1.1 | 7 | | | | | Existing analysis now sufficient for preparation of draft Article in Framework directive |
| 1 | Internal control & risk management | | x | | 3.1.2 | 7 | | x | | | (ex- "Requirements on company management") |
| | Fit & proper criteria | | x | | | | | | x | | (ex- "Requirements on company management") |
| 2 | Supervisory review process (SRP) -general | | x | | 3.1.3 | 7 | | x | | | |
| 3 | Supervisory review process, -quantitative tools | | x | | 3.4.4 | 7 | | x | | | |

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|-------------|---|------------|---|---|------------------|---------|---------|-------------------|-----|-----|--|
| | | 1 | 2 | 3 | 2539/03 | 2543/03 | 2502/04 | 1st | 2nd | 3rd | |
| | Supervisors' powers | | x | | 3.4.4 | | 5 | | x | | |
| 4 | Transparency of supervisors | | x | | | 7 | | x | | | |
| | Target level intervention | | x | | 3.4.4 | | 6 | | x | | |
| | Cooperation and communication of supervisors | | x | | 3.1.4 | | | | | x | |
| | Group and cross-sector issues | | x | | 3.1.4 | | | | | x | Further analysis on CEIOPS initiative welcome |
| | Reinsurance | x | x | | | | | | | x | |
| | Peer reviews | | x | | 3.1.5 | | | | | x | |
| | Pillar III disclosure | | | x | 3.5.1 | | | | | x | Further analysis on CEIOPS initiative welcome |
| | SME issues | x | | | | | | | | x | |
| | Procyclicality | | x | | | | | | | x | |
| | Independence and accountability of SRP | | x | | | | | | | x | Accountability issue has been moved from "Transparency of supervisors" into "Independence and accountability of SRP" |
| | Quantitative Impact Study methodology | x | | | | | | | | x | Further analysis on CEIOPS initiative welcome: Conduct of QIS requires first further work on capital requirements, However, it would be helpful if CEIOPS could already reflect on data collection, preparation, consistency, etc for later use. |
| | | | | | | | | | | | |
| | <u>Future areas to be addressed</u> | | | | | | | | | | |
| | Occupational pensions | | | | | | | | | | Consider after completion of first 3 waves of specific calls |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Notes: | | | | | | | | | | |
| | 1 Several work areas cover more than one pillar; above list indicative only | | | | | | | | | | |
| | 2 Indicative timing for IC consultation : 1st wave -July/04; 2nd wave Dec/04; 3rd wave March/05; earlier if possible | | | | | | | | | | |
| | 3 For technical provision calculation, methods and explicit prudence margins will be developed | | | | | | | | | | |
| | 4 For Solvency Capital Requirement, (i,e, ex "target capital") risk classifications and measurement system will be developed, including operational risk | | | | | | | | | | |