



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

2012

Regulatory Notice on the Adaptation of Solvency I Minimum Guarantee Fund (MGF) and Claims/Premium Indices



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Notice C 365/6 was published in the Official Journal of the European Union on 15th December 2011 (See Annex I).

Article 30 of Life Directive 2002/83/EC and Article 17(a) of Non-Life Directive 73/239/EEC outlines the procedure for an annual review of the MGF for Life undertakings and the MGF, Premium Index and Claims Index for Non-Life undertakings. The above review procedure took place in 2011 and showed that the cumulative increase in the European index of consumer prices, since the Solvency I rules came into force, was above the 5% threshold and, therefore, an adaptation was required.

This adaptation is provided for in paragraph 1 (2) (b) of Part B of Annex II of the European Communities (Life Assurance) Framework, Regulations, 1994 (S.I. 360 of 1994), and in paragraph 10 of Part A of Annex II and paragraph 1 (2) (c) of Part B of Annex II of the European Communities (Non-Life Insurance) Framework Regulations, 1994 (S.I. 359 of 1994).

Following agreement between EU Member States, the adaptations are to be implemented prior to 1st January 2013.

Therefore, in Ireland, the adaptations will come into effect for all undertakings on 31st December 2012, and will apply to all Annual and Quarterly Returns for reporting periods ending on or after that date.

These changes involve the following:

- (a) A revised Minimum Guarantee Fund of €2,500,000 for Non-Life Undertakings who are not authorised in any of Non-Life Classes 10, 11, 12, 13, 14 and/or 15 and a revised Minimum Guarantee Fund of €3,700,000 for all other Non-Life Undertakings and Life undertakings as opposed to the current base amounts of €2,300,000 and €3,500,000 respectively, and;
- (b) A revised premium index of €61,300,000 and a revised claims index of €42,900,000 instead of the current base amount of €57,500,000 and €40,300,000. This will apply to all Non-Life undertakings (Non-Life Form 14) and to Life undertakings required to hold an additional Solvency Margin for Supplementary Insurance and Permanent Health Insurance (Life Form 29).

These changes will be incorporated into the prescribed Forms in the OnLine Reporting system to be utilised by all undertakings in the filing of their 2012 returns in respect of the period ended 31st December 2012.

All Life and Non-Life undertakings are instructed to take the necessary steps to ensure the Central Bank of Ireland's requirement to maintain available assets free of all foreseeable liabilities equal to or greater than the higher of 150% (200% as applicable) of the EU Margin or 100% of the Minimum Guarantee Fund is met at all times and particular attention is paid to the effects of the revisions proposed.

Annex 1: Notice in the Official Journal of the European Union Notice (Life and Non-Life Undertakings)

15.12.2011

EN

Official Journal of the European Union

C 365/5

Notice regarding the adaptation in line with inflation of certain amounts laid down in the life and non-life insurance directives

(2011/C 365/06)

In accordance with Article 30 of Directive 2002/83/EC ⁽¹⁾ concerning life assurance, the amount laid down in euros in Article 29(2) was reviewed in 2011 in order to take account of changes in the European index of consumer prices comprising all Member States, as published by Eurostat. As a result of the review, the amount laid down in euros is increased from EUR 3 500 000 to EUR 3 700 000. The Commission Services have informed the European Parliament and the Council of the review and the adapted amount.

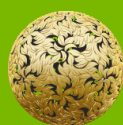
In accordance with Article 17a of Directive 73/239/EEC ⁽²⁾ on the coordination of the laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of direct insurance other than life assurance, as amended by Directive 2002/13/EC ⁽³⁾, the amounts laid down in euros in Article 16(a)(3) and (4) and Article 17(2) were reviewed in 2011 in order to take account of changes in the European index of consumer prices comprising all Member States, as published by Eurostat. As a result of the review, the amount laid down in euros in Article 16(a)(3) is increased from EUR 57 500 000 to EUR 61 300 000. The amount laid down in euros in Article 16(a)(4) is increased from EUR 40 300 000 to EUR 42 900 000. The amounts laid down in euros in Article 17(2) are increased from EUR 2 300 000 to EUR 2 500 000 and from EUR 3 500 000 to EUR 3 700 000 respectively. The Commission Services have informed the European Parliament and the Council of the review and the adapted amounts.

⁽¹⁾ OJ L 345, 19.12.2002, p. 1.

⁽²⁾ OJ L 228, 16.8.1973, p. 3.

⁽³⁾ OJ L 77, 20.3.2002, p. 17.

www.centralbank.ie T +353 1 224 4000 insurance@centralbank.ie



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**Bosca OP 559, Sráid an Dáma, Baile Átha Cliath 2, Éire
PO. Box No 559, Dame Street, Dublin 2, Ireland**

