



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Insurance and Reinsurance Firms

Central Bank Expectations in light of
COVID-19

Versions available from 20 April 2020 to 28
February 2023

Explanatory note:

Recognising the challenges faced by firms and market participants as a result of the COVID-19 pandemic, in March/April 2020, the Central Bank communicated that it would allow a level of flexibility in certain specified areas. The Central Bank has determined that measures previously communicated will not be extended. This document set out the unedited text previously published on the Central Bank of Ireland website, that has since been superseded. It is being made available for reference purposes only.

Unedited text included on Central Bank website from 20 April 2020 to 05 November 2020

Insurance and Reinsurance Firms Prudentially Supervised by the Central Bank

Introduction

The COVID-19 pandemic is causing considerable disruption and uncertainty to the economy, businesses and consumers. The focus of the Central Bank of Ireland (the “Central Bank”) remains to ensure that the (re)insurance sector continues to operate in a way that sustainably and effectively serves the needs of its policyholders and the real economy throughout this period.

Supervisory Flexibility Regarding the Deadline for Supervisory Reporting and Public Disclosure

Acknowledging the immediate challenge posed by reporting and disclosure deadlines, the Central Bank wrote to all (re)insurance firms and Special Purpose Reinsurance Vehicles on 24 March 2020, applying a degree of supervisory flexibility in relation to certain reporting and disclosure deadlines. The communication was issued following a series of recommendations made by the European Insurance and Occupational Pensions Authority (“EIOPA”) on 20 March 2020. A link to the Central Bank letters and EIOPA recommendations is set out below:

[See Appendix 1 for text of these letters]

[EIOPA recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19](#)

Reliable supervisory reporting is crucial in times when the financial system faces many challenges caused by the COVID-19 outbreak. To examine the effects of COVID-19 on the financial sector, the Central Bank will require additional targeted information to be submitted by (re)insurance firms during this period. While we aim to be measured and pragmatic with these data requests in terms of the type and frequency of requests, recognising the rapidly

evolving nature of the situation we are faced with, we expect (re)insurance firms to continue to engage constructively with us and respond to such requests in an expedient manner. The flexibility measures set out in the Central Bank letters will be kept under review and updated as necessary.

Risk Mitigation Programme (RMP) Submission Dates

The Central Bank expects those (re) insurance firms in a position to meet the existing RMP deadlines to continue to do so. Individual (re) insurance firms can engage directly with their supervisor where they have difficulties in relation to meeting specific RMP submission dates including the reasons why. Those supervisors will consider on a case-by-case basis whether the postponement of such measures may be necessary in order to achieve the objectives stated above.

EIOPA Statements and Recommendations

Over the past number of weeks, EIOPA has issued a number of statements and recommendations in relation to COVID-19 and measures to be taken to mitigate the impact. These statements and recommendations can be found on the [Central Bank's COVID-19 hub](#). The Central Bank is supportive of the measures set out in these statements and recommendations.

Further updates

The Central Bank will continue to review its approach to regulatory flexibility for the (re)insurance sector throughout the duration of the COVID-19 pandemic and may provide further updates as required.

Unedited text included on Central Bank website from 06 November 2020 to 28 February 2023

Insurance and Reinsurance Firms Prudentially Supervised by the Central Bank

Introduction

Since the inception of the COVID-19 pandemic, the focus of the Central Bank has been to ensure that the (re)insurance sector continues to operate in a way that sustainably and effectively serves the needs of its policyholders and the real economy throughout this period.

Supervisory Flexibility Regarding the Deadline for Supervisory Reporting and Public Disclosure

Acknowledging the immediate challenge posed by reporting and disclosure deadlines, the Central Bank wrote to all (re)insurance firms and Special Purpose Reinsurance Vehicles on 24 March 2020, applying a degree of supervisory flexibility in relation to certain reporting and disclosure deadlines. The communication was issued following a series of recommendations made by the European Insurance and Occupational Pensions Authority (“EIOPA”) on 20 March 2020. A link to the Central Bank letters and EIOPA recommendations is set out below:

[See Appendix 1 for text of these letters]

[EIOPA recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19](#)

Reliable supervisory reporting is crucial in times when the financial system faces many challenges caused by the COVID-19 outbreak. To examine the effects of COVID-19 on the financial sector, the Central Bank will require additional targeted information to be submitted by (re)insurance firms during this period. While we aim to be measured and pragmatic with these data requests in terms of the type and frequency of requests, recognising the rapidly evolving nature of the situation we are faced with, we expect (re)insurance firms to continue to engage constructively with us and respond to such requests in an expedient manner. The flexibility measures set out in the Central Bank letters will be kept under review and updated as necessary.

Risk Mitigation Programme (RMP) Submission Dates

In March 2020, the Central Bank applied a level of supervisory flexibility in relation to the deadlines for remedial actions/measures to ensure regulated entities could take the actions and steps needed to cope with significantly changed operational demands, to remain resilient, and to continue to serve their customers and the economy.

Individual firms could engage directly with their supervisor where they had difficulties in relation to meeting specific risk mitigation programme (RMP) submission dates. Supervisors assessed the circumstances and determined on a case-by-case basis whether a postponement of such measures would be necessary in order to achieve the objectives stated above.

The Central Bank considers that firms should have now adapted to the current operating environment, and as such, expects firms to meet specific RMP submission dates. Should firms identify concerns in meeting these timelines they should engage in a timely manner with their usual supervisors.

EIOPA Statements and Recommendations

Over the past number of months, EIOPA has issued a number of statements and recommendations in relation to COVID-19 and measures to be taken to mitigate the impact. These statements and recommendations can be found on the [EIOPA's website](#). The Central Bank is supportive of the measures set out in these statements and recommendations.

Further updates

The Central Bank will continue to review its approach to regulatory flexibility for the (re)insurance sector throughout the duration of the COVID-19 pandemic and may provide further updates as required.

Appendix 1: Letters regarding reporting flexibility

Insurance and reinsurance firms

24 March 2020

Re: The application of supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19

Dear Compliance Officer,

The Central Bank's role is to protect and maintain financial stability now and into the future. We need to make sure that the financial system works well for everyone, and that consumers are protected. We are committed to working constructively with the insurance sector at this time, recognising the challenges which the sector faces to maintain continuity of business and provision of service to customers.

It is our intention to continue to maintain appropriate regulatory oversight throughout this period, as we look to ensure undertakings remain resilient through this challenging environment in order to safeguard the financial system in the public interest.

The Central Bank is choosing to apply a degree of supervisory flexibility in respect of forthcoming reporting and disclosure deadlines for insurance and reinsurance undertakings. The flexibility exercised by the Central Bank has the ultimate aim of maintaining the balance between appropriate oversight and recognition of the operational difficulties which undertakings may be experiencing at this time. In this regard, the Central Bank maintains consistency with the recommendations of the European Insurance and Occupations Pensions Authority (EIOPA) while making the necessary adjustments for the local context (including national specific reporting requirements).

The operational details of this flexibility in respect of annual reporting, quarterly reporting and public disclosures are appended to this letter. If you have any queries, please contact the insurance regulatory reporting team (InsuranceRegulatoryReportingQueries@centralbank.ie) in the first instance.

Yours sincerely,

General considerations

1. The supervisory flexibility outlined is available to all undertakings. However, recognising that in many cases firms are already significantly advanced in their year-end reporting cycles, the Central Bank encourages those in a position to meet the existing reporting and disclosure deadlines to continue to do so.
2. Please note that, where reporting dates are not met, automated late filing reminders are usually issued from the Central Bank's online reporting system (ONR). Such filing reminders will be disabled during the reporting periods impacted by the current circumstances.
3. Where flexibility is applied to annual or quarterly quantitative submission, this may be read as applying equally to Solvency II and prudential National Specific Template (NST) submissions.

Annual reporting

4. The considerations below relate to undertakings with a financial year-end between 31 December 2019 and 31 March 2020 (inclusive).
5. The regular supervisory report (RSR) may be submitted up to eight weeks after the submission deadline (i.e. for undertakings with 31 December year-end, submissions will be deemed on time up to 02 June 2020). This applies equally to undertakings required to submit a full RSR for year-end 2019 and to undertakings who are required to submit a summary report setting out material changes.
6. The following quantitative templates, as defined in Commission Implementing Regulation (EU) 2015/2450 (as amended), may be submitted up to two weeks after the submission deadline:
 - a. Content of the Submission (S.01.01)
 - b. Basic Information (S.01.02)
 - c. Balance-sheet (S.02.01)
 - d. Cash-Flow projections for life business (S.13.01)
 - e. Long-term guarantees (S.22.01)
 - f. Own funds (S.23.01)
 - g. SCR calculation (S.25.01, S.25.02 or S.25.03, depending on the SCR calculation method used)
7. With the exception of the templates noted in paragraph 6 above, all quantitative templates may be submitted up to eight weeks after the submission deadline. Please note that where a split submission is being provided, the second submission must be a complete submission of all quantitative information (i.e. it must also include a resubmission of the quantitative templates noted in paragraph 6).
8. The directors' accuracy statements for the annual quantitative reporting templates and the RSR may be submitted up to eight weeks after the submission deadline.
9. Given the exceptional circumstances associated with COVID-19, the Central Bank will accept situations where the quantitative reporting is completed in advance of the submission of the associated accuracy statement (e.g. quantitative reporting on 07 April 2020 could be accompanied by an accuracy statement submitted anytime in the eight week period referenced in paragraph 8 above). Where the process which leads to the completion of an accuracy statement results in a revision to the quantitative submission, the Central Bank will consider

the subsequent resubmission of the quantitative returns as the only submission from the undertaking.

10. The compliance statements required under section 25 of the Central Bank Act 1997 may be submitted up to eight weeks after the submission deadline.
11. The actuarial opinion on technical provisions (AOTP) associated with the annual quantitative reporting templates may be submitted up to two weeks after the submission deadline.
12. As the actuarial report on technical provisions (ARTP) which supports the AOTP is only provided to the Central Bank on request, there is no change to the submission process associated with the ARTP. However, the Central Bank will be cognisant of the current situation when issuing any requests for ARTPs or, where applicable, the associated Peer Review Report.
13. Given the exceptional circumstances associated with COVID-19, the Central Bank will accept situations where the quantitative reporting is completed in advance of the submission of the associated AOTP (e.g. quantitative reporting on 07 April 2020 could be accompanied by an AOTP submitted anytime in the two week period referenced in paragraph 11 above). Where the process which leads to the completion of an AOTP results in a revision to the quantitative submission, the Central Bank will consider the subsequent resubmission of the quantitative returns as the only submission from the undertaking.

Quarterly reporting

14. The considerations below relate to prudential reporting for undertakings with a financial quarter-end on or after 31 March 2020 but before 30 June 2020. Guidance with regard to the statistical collection will be provided in due course in line with any guidance and recommendations received by the Central Bank of Ireland from the European Central Bank.
15. As this quarterly submission will be the first regulatory reporting to begin to reflect the impact of COVID-19 on the financial position of undertakings, the Central Bank would like to emphasise that:
 - a. The Own Funds template (S.23.01) should include an estimation of the SCR for the end of the quarter reference date (i.e. a resubmission of the most recently calculated SCR is not sufficient if such a calculation is from an earlier reference date);
 - b. Early submissions are encouraged.
16. Recognising the importance of focusing effort on the overall accuracy of the submissions, if necessary, undertakings may consider a proportionate approach to less material aspects of the calculations.
17. Notwithstanding paragraph 15.b above, the quarterly returns may be submitted up to one week after the submission deadline, with the exception of the closed derivatives template (S.08.02) which may be submitted up to four weeks after the submission deadline. Where an undertaking chooses to submit the closed derivatives template with this further extension, this should be done as part of a resubmission including all templates which were previously included in the original submission.

Public disclosures

18. The considerations below relate to undertakings with a financial year-end between 31 December 2019 and 31 March 2020 (inclusive).

19. In the event of a major development that significantly affects disclosed information Regulation 56(1) of S.I. 485 of 2015 requires that undertakings “shall disclose appropriate information on the nature and effects of that major development”. The Central Bank expects that, for the majority of undertakings, the current situation should be considered as a major development under Regulation 56(1). The disclosure of any relevant information should occur at the same time as the disclosures noted in paragraphs 20 (for information directly relevant to the initial quantitative disclosures) and 21 (for more complete disclosures related to COVID-19 impacts).
20. The key quantitative disclosures from the Solvency and Financial Condition Report (SFCR) may be published, and submitted to the Central Bank, up to two weeks after the publication deadline. The Central Bank expects that this period will allow for the completion of activities associated with these templates, including the audit requirements under Regulation 37 of S.I. 485 of 2015. Specifically, these should include the following templates as defined in Commission Implementing Regulation (EU) 2015/2452 (as amended):
 - a. Balance-sheet (S.02.01);
 - b. Long-term guarantees (S.22.01);
 - c. Own funds (S.23.01); and
 - d. SCR calculation (S.25.01)
21. With the exception of the information noted in paragraph 20, undertakings may publish, and submit to the Central Bank, the SFCR up to eight weeks after the publication deadline.

Special purpose reinsurance vehicles

24 March 2020

Re: The application of supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19

Dear Compliance Officer,

The Central Bank's role is to protect and maintain financial stability now and into the future. We need to make sure that the financial system works well for everyone, and that consumers are protected. We are committed to working constructively with the insurance sector at this time, recognising the challenges which the sector faces to maintain continuity of business and provision of service to customers.

It is our intention to continue to maintain appropriate regulatory oversight throughout this period, as we look to ensure undertakings remain resilient through this challenging environment in order to safeguard the financial system in the public interest.

The Central Bank is choosing to apply a degree of supervisory flexibility in respect of forthcoming reporting and disclosure deadlines for insurance and reinsurance undertakings. The flexibility exercised by the Central Bank has the ultimate aim of maintaining the balance between appropriate oversight and recognition of the operational difficulties which undertakings may be experiencing at this time. In this regard, the Central Bank maintains consistency with the recommendations of the European Insurance and Occupations Pensions Authority (EIOPA) while making the necessary adjustments for the local context (including national specific reporting requirements).

The operational details of this flexibility in respect of special purpose reinsurance vehicles are appended to this letter. If you have any queries, please contact the insurance regulatory reporting team (InsuranceRegulatoryReportingQueries@centralbank.ie) in the first instance.

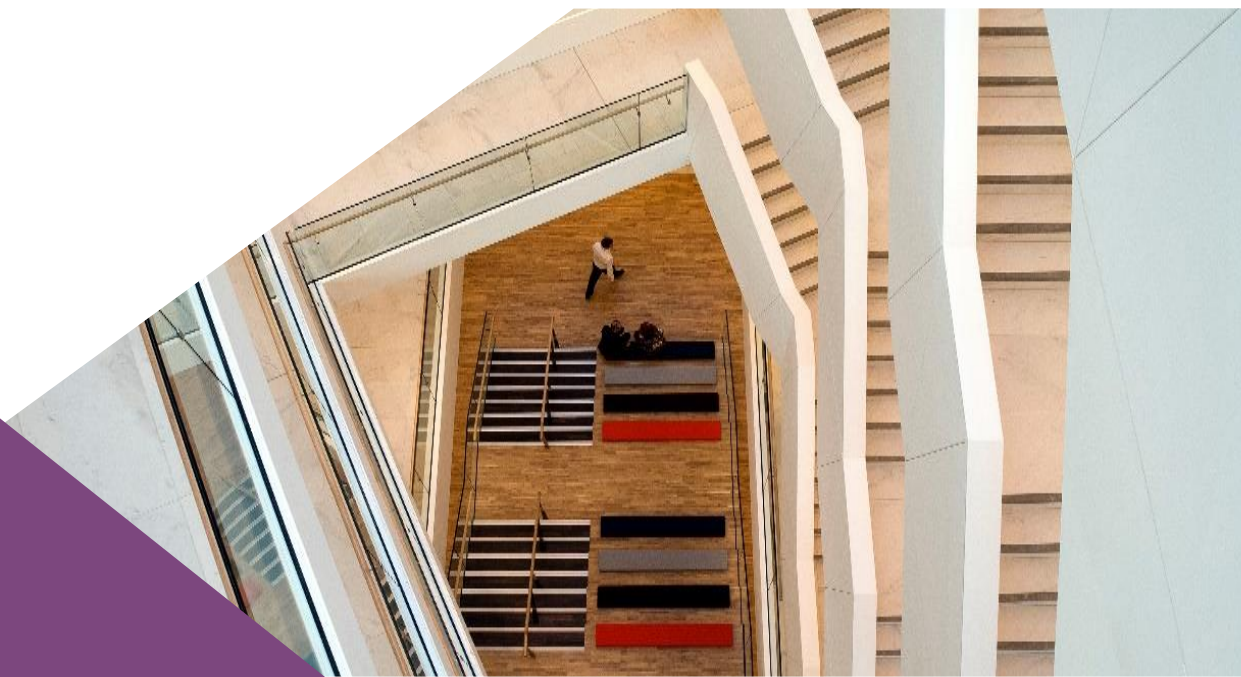
Yours sincerely,

General considerations

1. The supervisory flexibility outlined is available to all undertakings. However, recognising that in many cases firms are already significantly advanced in their year-end reporting cycles, the Central Bank encourages those in a position to meet the existing reporting and disclosure deadlines to continue to do so.
2. Please note that, where reporting dates are not met, automated late filing reminders are usually issued from the Central Bank's online reporting system (ONR). Such filing reminders will be disabled during the reporting periods impacted by the current circumstances.

Annual reporting

3. The considerations below relate to undertakings with a financial year-end between 31 December 2019 and 31 March 2020 (inclusive).
4. The SPV Solvency II Annual Narrative Return may be submitted up to eight weeks after the submission deadline (i.e. for undertakings with 31 December year-end, submissions will be deemed on time up to 02 June 2020).
5. All quantitative templates may be submitted up to eight weeks after the submission deadline.
6. The compliance statements required under section 25 of the Central Bank Act 1997 may be submitted up to eight weeks after the submission deadline.



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