Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Consultation Paper 171

Refinements to the Domestic Actuarial Regime and Related Governance Requirements under Solvency II (CP171)

July 2026

Contents

Chapter 1: Introduction

1.1 Background and Objectives

The Central Bank of Ireland (the Central Bank) regulates the financial sector to ensure it is operating in the best interests of consumers and the wider economy. We do this by working to support positive outcomes, so that the sector contributes to the economic wellbeing of our citizens through good times and bad. This requires ensuring that financial firms are resilient and well run, delivering in the best interests of their customers.

The Central Bank introduced the Domestic Actuarial Regime and Related Governance Requirements under Solvency II (DAR) in 2016, with the aim of ensuring that systems and individuals were in place in order to support the management, oversight and supervision of Solvency II (re)insurance undertakings.

Since the introduction of the Domestic Actuarial Regime, the Irish insurance industry has changed in terms of size, complexity and interconnectedness. During the same period, there have been a number of relevant developments within the overall regulatory framework. These include:

- enhanced guidance on the fitness and probity requirements for the role of HoAF
- the introduction of our new integrated supervisory approach

It is incumbent on the Central Bank to ensure that frameworks are transparent, predictable, and proportionate, and to ensure that the connection between regulatory frameworks is clearly set out. With the Head of Actuarial Function (HoAF) being a pre-approval controlled function (PCF), DAR has been prioritised for inclusion in the wider compatibility review being performed as part of the Central Bank's implementation of the amendments to the Solvency II Directive.

It is proposed that the updated Domestic Actuarial Regime will be imposed upon (re)insurance undertakings as a condition of authorisation pursuant to the European Union (Insurance and Reinsurance) Regulations 2015.

1.2 This Consultation Paper

This Consultation Paper (CP171) includes a review of the Domestic Actuarial Regime and related Governance Requirements under SII (Chapter 2), and the Guidance for (Re)Insurance Undertakings on the Head of Actuarial Function Role (Chapter 3).

The Central Bank welcomes the views of stakeholders with regard to the proposals set out in CP171, and specifically the questions posed in Chapter 4, via insurancepolicy@centralbank.ie before 20 October 2026.

As noted in our December 2025 communication[1] on Regulating and Supervising well, the Central Bank is looking to achieve:.

- Maintaining and indeed strengthening resilience, safeguarding both consumer protection and the safety and soundness of our system.
- A regulatory framework that is clearer, simpler, and more coherent, aligned with the evolving European system.
- Greater and better demonstrated proportionality, with regulation and supervision that is risk based and tailored to the materiality of the risk.
- Improved effectiveness and efficiency of supervision, with a more forward looking approach, and a greater focus on outcomes, grounded in the expert judgement of our supervisors.
- More predictable processes and procedures for firms

Where stakeholders believe that the proposals within this paper fall short of achieving those ambitions, we are open to making changes, and welcome alternative proposals to be put forward in response to this consultation.

[1] https://www.centralbank.ie/docs/default-source/regulation/transforming-regulation-and-supervision/regulating-supervising-well-a-more-effective-and-efficient-framework.pdf

Chapter 2: Changes to the Domestic Actuarial Regime (DAR)

HoAF role

The Domestic Actuarial Regime sets out that an undertaking is required to allocate responsibility for the tasks of the Actuarial Function to a nominated individual, namely the Head of Actuarial Function (HoAF). The Central Bank continues to believe this is an appropriate requirement. The HoAF being a PCF reflects this.

As they overlap with the Guidance provided as part of the Fitness & Probity Regime, the Central Bank proposes to remove the elements of DAR that stipulate the employee status of the individual and the prerequisite level of experience. This should not be viewed as a lessening of expectations in this area. In particular we still expect, for larger and more complex firms, the HoAF to be an employee of those firms.

The Central Bank proposes to clarify that, in relation to reinsurance undertakings, it is permissible to have separate HoAFs for life and non-life business.

Based on feedback from stakeholders, there is an imbalance between the benefit from having the HoAF provide an “Opinion” on the ORSA and the burden reportedly placed on the undertaking in having to provide that Opinion. Therefore the Central Bank proposes to withdraw this requirement, although the HoAF will still be expected to contribute to the ORSA process as part of their wider contribution to the effective implementation of the risk management system.

Reserving Policy

The Central Bank considers that the requirement to have a Reserving Policy remains appropriate. In that context, only minor changes to the wording are proposed to align more closely with the requirements in Article 267.2 of the Commission Delegated Regulation (EU) 2015/35.

Exemptions

With the aim of increasing both transparency and efficiency, and as an example of the type of simplification that has been looked for, exemptions from most of the additional DAR requirements are proposed to become automated for:

i) non-life firms that do not write certain classes of business; and

ii) life firms with small with-profits funds;

subject to notification from those undertakings that they meet the stated criteria for achieving those exemptions.

Peer Review

The Central Bank also considers that it gains material benefit from receiving and reviewing the Peer Reviews in respect of ARTPs. The Central Bank proposes to make submission of those reports a regular requirement.

The variable frequency of Peer Review is proposed to be maintained within the regime. The Central Bank proposes to determine the frequency based on the undertaking impact classification that is performed in order to satisfy Guideline 15 of EIOPA's Guidelines on the Supervisory Review Process. This is currently the prudential impact rating.

In line with the approach taken to the content of the ARTPs, the Central Bank proposes to achieve proportionality more appropriately in terms of the scope of the Peer Review, by moving some elements to Guidance, and removing the artificial scope boundaries that previously differentiated between High / Medium High / Medium Low impact undertakings.

Additional proportionality is proposed by providing Guidance that a consecutively subsequent Peer Review by the same Reviewing Actuary (RA) could, with the agreement of the Board, be based on a targeted scope. As a safeguard against the risk that a reduced scope could result in a reduced level of comfort, we propose to keep the restriction on the number of Peer Reviews that the same RA or another actuary from the same firm can perform in a row.

AOTPs and ARTPs

The Central Bank considers that the requirement to have an Actuarial Opinion on the Technical Provisions (AOTPs) remains appropriate, and that the provision of a template gives helpful clarity. In that context, only minor changes to the requirements in relation to AOTPs are proposed, for instance to remove ambiguity about whether Regulation 84(8) of the European Union (Insurance and Reinsurance) Regulations 2015 is a permission or a requirement.

The Central Bank considers that the requirement to have an Actuarial Report on the Technical Provisions (ARTPs) remains appropriate. Stakeholders have given feedback that the detailed list of required content is too prescriptive, and so the Central Bank proposes to encapsulate the objectives of the ARTPs within DAR, and to move into the Guidance for (Re)Insurance Undertakings on the Head of Actuarial Function Role the more detailed explanations of how the Central Bank expects the HoAF to meet those objectives. The Central Bank also takes the opportunity to remove the potential for conflicting interpretations of "prudence".

In line with the approach taken to the content of the ARTPs, the Central Bank also proposes to relax the wording in relation to presenting the ARTPs to the Board. This leaves it up to the judgment of the HoAF how to adequately inform the Board regarding the TPs. Some HoAFs interpret the current requirement as presenting the ARTPs verbatim to the Board, which may not be an effective way to communicate the key elements.

Post-implementation[2] of the Central Bank's new supervisory approach there is recognition of the significant benefit to the Bank when it receives and reviews the ARTPs. The Central Bank proposes to make submission of those reports a regular requirement. Although the DAR currently requires that these be provided "on request", in practice they have always been requested and the proposed change is therefore more consistent with the supervisory approach.

[2] https://www.centralbank.ie/regulation/transforming-regulation-and-supervision

Life specific elements

The Central Bank considers that the additional responsibility for the HoAF in direct life undertakings to monitor compliance with requirements relating to disclosure of information is no longer needed.

The Central Bank is aware that stakeholders have requested more clarity as to the scope of "Policyholders' Reasonable Expectations". The Central Bank proposes to clarify the intent by using wording that is more aligned with that used in the Consumer Protection Code – specifically General Principle 2.1.

The Central Bank considers that the requirements in relation to With-Profits business continue to be appropriate. With the aim of increasing both transparency and efficiency, exemptions from these requirements are proposed to become automated subject to notification from undertakings that they meet the stated criteria for achieving those exemptions.

Non-Life specific elements

The Central Bank considers that the requirement for High Impact undertakings that operate in the non-life sector to have a Reserving Committee remains appropriate. In that context, only minor changes to the wording are proposed.

Chapter 3: Revised Guidance for (Re)Insurance Undertakings on the Head of Actuarial Function Role (the Guidance)

Revised Guidance

The Central Bank's general expectations of the Head of Actuarial Function Role are largely unchanged, and so the intent behind Section 2 of the previous Guidance is proposed to be kept, albeit with drafting changes.

The Central Bank's expectations as to the approach taken to the Opinion on Underwriting, set out in Section 3.1 of the previous Guidance, are also largely unchanged.

The Central Bank's expectations are mainly unchanged on the approach to the Opinion on Reinsurance Arrangements, as set out in Section 3.2 of the previous Guidance, other than to remove an expectation that the HoAF comment on the motivation for the reinsurance or that they offer alternatives to the reinsurance.

With the proposed removal of the requirement for the HoAF to provide an Opinion on the ORSA, the wording in relation to the Central Bank's expectations Contribution to Effective Risk Management, set out in Section 3.3 of the previous Guidance, has been amended to reflect the areas of the ORSA that the HoAF may consider themselves to be well placed to make a contribution.

As part of the proposed changes to the ARTP element within DAR, and in response to stakeholder requests for clarity in relation to certain elements of the AOTP, the Central Bank's proposes to set out expectations as to the approach to be taken to both the AOTP and the ARTP. The proposed wording for these is contained in new Sections 3.4 and 3.5.

As set out above, expectations in relation to the scope of the Peer Review and content of the Peer Review Report are now set out in the Guidance. The proposed wording for these is contained in a new Section 4.

Chapter 4: Questions

Domestic Actuarial Regime

1. Do you agree with the proposed changes to DAR?

2. Have you identified any issues with these changes?

3. The proposals in this Consultation Paper have been formed in the context of historic experience and current practice. In light of potential technological developments, in particular with respect to how they could impact the manner in which Peer Reviews might be carried out, are there any elements of the regime that should be future-proofed and how might they need to be adapted to take account of these technological developments?

4. Given the simplification ambitions set out in our December 2025 communication[3] on Regulating and Supervising well, and the Supervisory Principles set out in Section 2.1 of the May 2026 communication[4] on our approach to supervision, are there alternative mechanisms that would be appropriate for the Central Bank to consider as the measure for varying the frequency of Peer Review?

Guidance

5. Do you agree with the proposed changes to the Guidance?

6. Are the enhancements to the Guidance useful to you?

7. What other elements could the Central Bank include within the Guidance?

[3] https://www.centralbank.ie/docs/default-source/regulation/transforming-regulation-and-supervision/regulating-supervising-well-a-more-effective-and-efficient-framework.pdf

[4] https://www.centralbank.ie/docs/default-source/regulation/transforming-regulation-and-supervision/our-approach-to-supervision.pdf

Consultation responses

The Central Bank invites all stakeholders to provide responses to the questions on the proposals within this Consultation Paper. Responses should be submitted no later than 20 October 2026.

Please make your submission electronically by email to insurancepolicy@centralbank.ie. We will send an email acknowledgement to all responses. If you do not receive an acknowledgement, please contact us on insurancepolicy@centralbank.ie.

The Consultation will remain open for 3 months from 20 July 2026 to 20 October 2026, following which the Central Bank will review all feedback received on this Consultation Paper and prepare an associated Feedback Statement to be published by the Central Bank.

It is the policy of the Central Bank to publish all responses to its consultations on its website. Accordingly, commercially confidential information should not be included in consultation responses. Information deemed potentially libellous or defamatory will not be published.

The Central Bank will accept no liability in respect of any information provided, which is subsequently released, or in respect of any consequential damage suffered as a result.

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