

Insurance Rule 31 of 2013

Preparatory Measures for Solvency II Implementation

Rule pursuant to article 4 of the Act

1. (1) This Insurance Rule on Preparatory Measures for Solvency II Implementation (“this Rule”) is made by the Authority pursuant to, and for the purposes of, article 4 of the Act.

(2) This Rule shall come into force on the 1st January 2014.

Application

2. This Rule applies to a company whose head office is in Malta, authorised to carry on business of insurance (the “company concerned”).

Scope

3. (1) The scope of this Rule is to adopt the Guidelines on interim measures (“the Guidelines”) issued by the European Insurance and Occupational Pensions Authority (“EIOPA”) for the preparatory phase leading up to the application of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)(recast).

(2) The Guidelines cover four areas which are considered fundamental to ensure effective preparation and convergence in preparation for Solvency II.

(3) The Guidelines are those referred to in article 5 of this Rule.

Definitions:

4. In this Rule, unless the context otherwise requires:

“preparatory phase” means the period from the 1st January 2014 to the 31st December 2015 during which companies concerned are expected to demonstrate that they are taking active steps towards implementing the relevant aspects of the Solvency II regulatory framework addressed

in the Guidelines, so that when Solvency II is applicable, its requirements can be fully complied with.

5. A company concerned in the preparatory phase is required to take into account the following Guidelines:

- (a) The Guidelines on System of Governance, available at: [EIOPA: Guidelines on System of Governance](#);
- (b) The Guidelines on Forward Looking Assessment of Own Risks (based on the ORSA principles), available at: [EIOPA: Guidelines on Forward Looking assessment of own risks \(based on the ORSA principles\)](#);
- (c) The Guidelines on Submission of Information to National Competent Authorities, available at: [EIOPA: Guidelines on Submission of Information to National Competent Authorities](#);
- (d) The Guidelines on Pre Application of Internal Models, available at: [EIOPA: Guidelines on Pre Application of Internal Models](#).

6. A company concerned falling within the thresholds defined by the Guidelines referred to in paragraph (c) of article 5 is required to:

- (a) perform the assessments set out in the Guidelines referred to in paragraph (b) of article 5; and
- (b) submit information as determined by the Guidelines referred to in paragraph (c) of article 5 to the Authority by the dates stipulated therein.

7. A company concerned is to continue to comply with the relevant provisions of the Insurance Business Act, Regulations and Insurance Rules issued thereunder.