RECOMMENDATIONS ON SUPERVISORY FLEXIBILITY REGARDING THE DEADLINE OF SUPERVISORY REPORTING AND PUBLIC DISCLOSURE - CORONAVIRUS/COVID-19

EIOPA-BoS-20/236
20 March 2020
Introduction

1. In accordance with Article 16 of Regulation (EU) No 1094/2010¹ (EIOPA Regulation), EIOPA is issuing these recommendations for the insurance sector with regard to the Coronavirus/COVID-19 situation.

2. These Recommendations are based on Directive 2009/138/EC² (Solvency II Directive) and EIOPA’s guidelines and other relevant EIOPA instruments and are addressed to the competent authorities.

3. Considering the likelihood that insurance and reinsurance undertakings may face increasingly difficult conditions in the immediate future in terms of navigating through challenging market conditions, EIOPA considers that undertakings need to concentrate their efforts on monitoring and assessing the impact of the Coronavirus/COVID-19 situation as well as ensuring business continuity. In this context the Q1-2020 submission of information to competent authorities will be of extreme importance both for insurance and reinsurance undertakings and competent authorities.

4. As some competent authorities are already taking measures to address the implications of the Coronavirus/COVID19, it is of utmost importance to provide a framework for consistent supervisory approaches urgently. Therefore, the general objective of these Recommendations is to foster convergence and consistent supervisory approaches across Member States when providing flexibility for supervisory reporting and public disclosure of insurance and reinsurance undertakings.

5. Given the need for urgent supervisory response in view of mitigating the negative effects of the Coronavirus/COVID-19 in the insurance sector EIOPA has not conducted any open public consultation and has not sought the opinion of the Insurance and Reinsurance Stakeholder Group.

6. If not defined in these Recommendations, the terms have the meaning defined in the legal acts referred to in the introduction.

7. These Recommendations shall apply from the date of publication of their English version on EIOPA’s website.

8. The Recommendations below aim to offer operational relief and support business continuity of insurance and reinsurance undertakings. However, the insurance and reinsurance undertakings may opt for submitting the full reporting package at any time before the shortest delay indicated below. This option may also be chosen in case of any unintended burden created by the proposed relieves in specific situations (for example when splitting the reporting packages into 2 sets).


Recommendation 1 - Annual reporting referring to year-end occurring on 31 December 2019 or year-end after that date but before 1 April 2020

9. Competent authorities should accept an 8-week delay in the submission of the Regular Supervisory Report both at solo and group level.

10. Competent authorities should accept an 8-week delay in the submission of the annual Quantitative Reporting Templates with the following exceptions: Content of the Submission (S.01.01), Basic Information (S.01.02), Balance-sheet (S.02.01), Cash-Flow projections for life business (S.13.01), LTG (S.22.01), Own funds (S.23.01) and SCR calculation (S.25.01 to S.25.03) at solo level.

11. Competent authorities should accept an 8-week delay in the submission of the annual Quantitative Reporting Templates with the following exceptions: Content of the Submission (S.01.01), Basic Information (S.01.02), Balance-sheet (S.02.01), LTG (S.22.01), Own funds (S.23.01), SCR calculation (S.25.01 to S.25.03) and Undertakings in the scope of the group (S.32.01) at group level.

12. Competent authorities should accept a 2-week delay in the submission of the templates described in the above paragraphs 10 and 11.

13. Competent authorities should use the Technical Annex of these Recommendations for technical details regarding the submission of the annual quantitative reporting templates in two different sets.

14. Competent authorities that have used the possibility to exempt undertakings from quarterly reporting may consider requesting the following additional templates in the annual submission with a 2-week delay from undertakings that have not reported Q4-2019: List of assets (S.06.02), Look-through information (S.06.03), Technical Provisions Life (S.12.01) and Technical Provisions Non-Life (S.17.01) at solo level.

15. Competent authorities should take similar flexible approaches to any national specific reporting or additional requirements (e.g. ORSA reporting deadlines, audit requirements, etc.).

16. Competent authorities should submit the information received to EIOPA no later than 4 weeks upon receipt.

Recommendation 2 - Quarterly reporting referring to Q12020-end occurring on 31 March 2020 or after that date but before 30 June 2020

17. Competent authorities should accept one week delay in the submission of the Q1-2020 Quantitative Reporting Templates and the Quarterly Financial Stability reporting both at solo and group level with the following exceptions: Derivatives Transactions (S.08.02) in the Quantitative Reporting Templates.
18. For this quarterly submission early submissions are encouraged. 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.

19. Competent authorities should accept a 4-week delay for the template Derivatives Transactions (S.08.02).

20. Insurance and reinsurance undertakings are expected to report in the Own Funds template (S.23.01) an estimation of the SCR for the end of the quarter reference date, and not the last calculated one as indicated in the Instructions.

21. Competent authorities should submit the information received to EIOPA no later than 4 weeks upon receipt.

Recommendation 3 - Solvency and Financial Condition Report referring to year-end occurring on 31 December 2019 or year-end after that date but before 1 April 2020

22. Competent authorities should accept an 8-week delay for the publication of the Solvency and Financial Condition Report (SFCR) with the exception of the following information: Balance-sheet (S.02.01), LTG (S.22.01), Own funds (S.23.01) and SCR calculation (S.25.01) using the templates as identified in Commission Implementing Regulation (EU) 2015/2452 both at solo and group level.

23. Competent authorities should accept a 2-week delay in the publication of the templates described above, using the means of disclosure usually used for the publication of the SFCR.

24. Insurance and reinsurance undertakings should consider the current situation as a “major development” as referred to in article 54(1) in the Solvency II Directive and publish at the same time of publication of the information referring to the year-end occurring on 31 December 2019 or after, any appropriate information on the effect of the Coronavirus/COVID-19 in the published information.

Compliance and reporting rules

25. This document contains Recommendations issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, competent authorities and financial institutions shall make every effort to comply with these recommendations.

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26. Competent authorities that comply or intend to comply with these Recommendations should incorporate them into their regulatory or supervisory framework in an appropriate manner.

27. Competent authorities shall confirm to EIOPA whether they comply or intend to comply with these Recommendations, with reasons for non-compliance, within two months after the issuance of the translated versions.

28. In the absence of a response by this deadline, competent authorities shall be considered as non-compliant to the reporting and reported as such.

**Final provision on review**

29. The present Recommendations shall be subject to a review by EIOPA.
Technical Annex

Undertakings and competent authorities using the EIOPA XBRL taxonomy should apply the following special instructions:

- The current 2.4.0 taxonomy can be used to fulfil these special requirements. Hotfix updates on taxonomy are not needed;
- Exemptions of templates for the first provisional/incomplete report shall be flagged in the relevant cells of the Content of Submission (S.01.01) template as “0 - Not reported other reason”. In this case the special justification is due to the Coronavirus/COVID-19 situation;
- Further (re)submissions shall include also all the previously reported templates of the period (i.e. the full final report should be complete);
- EIOPA may also apply special measures on the taxonomy data validations, changing the severity from blocking to non-blocking to facilitate the report submission, for example, with the validations related with the content of submission template;
- Undertakings which are able to submit within the first submission already the full package) are encouraged to do so as soon as possible and within the statutory deadlines. In such cases no further submissions are necessary except if further corrections are needed;
- More taxonomy specifications and further updates in the list of validations will be made available in the coming days in EIOPA and competent authorities taxonomy related webpages.