

Finansinspektionen's Regulatory Code

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Finansinspektionen's regulations and general guidelines regarding a financial recovery plan;

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decided on 24 March 2004.

Finansinspektionen hereby prescribes¹ the following pursuant to sections 49 and 54 of the Insurance Business Ordinance (1982:790).

Scope of application

Section 1 These regulations and general guidelines shall apply if Finansinspektionen decides that the following undertakings shall prepare a financial recovery plan:

- Swedish insurance companies in accordance with Chapter 19, section 11, third paragraph of the Insurance Business Act (1982:713), and
- foreign insurers from third countries in accordance with Chapter 6, section 9, first paragraph, point 1 of the Business of Foreign Insurers and Occupational Pension Institutes in Sweden Act (1998:293).

Contents of the plan

Section 2 A financial recovery plan shall contain information on the undertaking's financial position at the date when the plan is prepared and a forecast for the subsequent three years with regard to:

- a) operating expenses, special continuous general expenses and commissions,
- b) income and costs relating to direct insurance and received reinsurance and ceded reinsurance,
- c) income statement and balance sheet,
- d) size of the assets covering technical provisions, and
- e) available solvency margin and required solvency margin.

Section 3 A financial recovery plan shall also contain the undertaking's investment guidelines and information on the undertaking's general policy with regard to reinsurance. The policy shall at least contain identification and management of reinsurance risks, reinsurance programmes and information on ceded reinsurance, see Finansinspektionen's general guidelines on underwriting risks and reinsurance

¹ Cf. Directive 2002/12/EC of the European Parliament and of the Council of 5 March 2002 amending Council Directive 79/267/EEC as regards the solvency margin requirements for life assurance undertakings (OJ L 077, 20.3.2002, p. 11, Celex 32002L0012) and Directive 2002/13/EC of the European Parliament and of the Council of 5 March 2002 amending Council Directive 73/239/EEC as regards the solvency margin requirements for non-life insurance undertakings (OJ L 077, 20.3.2002, p. 17, Celex 32002L0013).

risks in insurance companies. A financial recovery plan shall also contain an analysis of the technical provisions risks.

Section 4 The financial recovery plan shall also contain a description of the measures that the undertaking is required to adopt, if applicable, in order to improve the undertaking's financial position and how those measures affect the forecast as per section 2. Furthermore, the undertaking shall report any other circumstances that may be assumed to be of material significance for the undertaking's position.

General guidelines

The undertaking's auditors should audit and report on the contents of the financial recovery plan. The report should be attached to the plan.

These regulations and general guidelines shall enter into force on 15 April 2004.

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