

Finansinspektionen's Regulatory Code

Publisher: Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



This translation is furnished for information purposes only and is not itself a legal document.

Finansinspektionen's regulations and general guidelines regarding financial recovery plans;

FFFS 2011:13

Published on
30 March 2011

decided on 17 March 2011.

Finansinspektionen prescribes¹ the following pursuant to Chapter 7, sections 2 and 5 of the Insurance Business Ordinance (2011:257) and provides general guidelines.

Scope

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

1. Swedish insurance undertakings pursuant to Chapter 16, section 4 of the Insurance Business Act (2010:2043), and
2. foreign insurers from third countries in accordance with Chapter 6, section 9, first paragraph, point 1 of the Act (1998:293) on Undertakings of Foreign Insurers and Occupational Pension Provision in Sweden.

Contents of the plan

Section 2 A financial recovery plan shall contain information on the undertaking's financial situation at the moment when the plan is drawn up and present forecasts for the next three years with regard to

- a) operating expenses, in particular ongoing general expenses and commissions,
 - b) income and costs relating to direct insurance, accepted reinsurance and reinsurance cessions,
 - c) the income statement and balance sheet,
 - d) the size of the assets covering technical provisions, and
- 3) available and required solvency margins.

Section 3 A financial recovery plan shall also contain the undertaking's investment guidelines as well as information on the undertaking's general policy with regard to reinsurance. This policy as a minimum shall contain information regarding the identification and management of reinsurance risks, reinsurance programmes and reinsurance cessions, see Finansinspektionen's general guidelines regarding underwriting risks and reinsurance risks at insurance undertakings. A

¹ Cf. Directiv 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (EGT L 345, 19.12.2002, p. 1, Celex 32002L0083) 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 (EGT L 077, 20.3.2002, p. 17, Celex 32002L0013).

financial recovery plan shall also contain an analysis of the technical provision risks.

Section 4 The financial recovery plan shall also contain a description of the actions that the undertaking needs to take, where appropriate, to improve the its financial position and how these actions affect the forecasts set out in section 2. Furthermore, the undertaking shall report other circumstances that may be considered to be of material significance for its position.

General guidelines

The financial recovery plan should be reviewed by the undertaking's auditors and a written statement by the auditors establishing that the information in the plan provides an accurate presentation of the conditions set out in section 2 should be submitted to Finansinspektionen together with the plan.

1. These regulations and general guidelines shall enter into force on 1 May 2011, whereupon Finansinspektionen's regulations and general guidelines (FFFS 2004:1) regarding a financial recovery plan shall be repealed.

2. With regard to mutual benefit societies that pursuant to section 7 of the Act (2010:2044) on the Implementation of the Insurance Business Act (2010:2043) may continue to conduct business or are in liquidation, the old regulations shall apply.

MARTIN ANDERSSON

Anders Lindkvist