

Finansinspektionen's Regulatory Code

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Finansinspektionen's regulations and general guidelines regarding certain insurance associations granted dispensation;

FFFS 2020:13

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decided on 13 October 2020.

Finansinspektionen prescribes the following pursuant to Chapter 7, section 2, points 7–11, 15, 21, 60, 62 and 63 of the Insurance Business Ordinance (2011:257), and provides general guidelines.

Chapter 1 Scope and definitions

Scope

Section 1 These regulations shall apply to insurance associations that have been granted dispensation from Chapter 4, sections 2 and 4 and Chapters 5–10, Chapter 16 and Chapter 19 of the Insurance Business Act (2010:2043) in accordance with Chapter 1, section 19d of the same act.

Section 2 The provisions in Chapter 3, sections 2–4 and 6, Chapter 7, section 5, first paragraph, Chapter 7, Section 8, second paragraph and Chapter 8, section 1, first paragraph does not apply to those smaller insurance associations referred to in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043).

Insurance benefits calculated as an average

Section 3 Insurance benefits calculated as an average in accordance with Chapter 1, section 19 d, second paragraph of the Insurance Business Act (2010:2043) shall be established in the manner specified in the second and third paragraphs.

If a benefit relates to insurance where bonuses are calculated in accordance with the retrospective reserve or pension supplement method, the benefits calculated as an average shall be established at the end of each calendar year by relating the association's technical provisions and distributed policyholders' surplus to the number of policyholders and other beneficiaries.

If a benefit refers to other financial assistance in the event of illness, accident or death – or another financial benefit – the benefits calculated as an average shall be determined in the following manner: The average amount of compensation paid over the past five years are related to the average number of policyholders and other beneficiaries over the same period.

Definitions

Section 4 Terms and expressions in these regulations have the same meaning as in the Insurance Business Act (2010:2043), Finansinspektionen's regulations and general guidelines (FFFS 2015:9) regarding insurance undertakings granted dispensation due to their size and Finansinspektionen's regulations and general guidelines (FFFS 2011:27) regarding simplified annual accounts at insurance undertakings granted dispensation.

In addition to this, the following definitions apply:

1. *Premiums*: membership fees charged by insurance associations.
2. *Internal rules*: policy documents, guidelines, instructions or other written documents through which the issuer (board of directors, managing director or other officer) directs the business.

Chapter 2 Authorisation

Section 1 Provisions regarding when an insurance association shall be considered a smaller association can be found in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043).

An insurance association shall, when the association applies for authorisation to conduct insurance business or if Finansinspektionen requests this, submit data to the authority so that the insurance benefits calculated as an average per policyholder or other beneficiary can be determined pursuant to Chapter 1, section 19d, second paragraph and section 19e, first paragraph, point 2 of the Insurance Business Act.

Scheme of operations

Section 2 A scheme of operations as referred to in Chapter 2, section 18 of the Insurance Business Act (2010:2043) shall contain estimates of the standardised capital requirement in accordance with Chapter 6, section 3. The scheme of operations shall also include information about

1. the type of risks or commitments the insurance association' operations shall encompass, broken down by insurance classes,
2. how the association is governed in accordance with Chapter 1, section 19e, first paragraph, point 4 of the Insurance Business Act,
3. basic principles of ceded reinsurance,
4. technical provisions in accordance with Chapter 4, sections 1 and 2, and
5. the assets that are intended to cover the standardised capital requirement.

Risks broken down by insurance class

Classes of non-life insurance

Section 3 With regard to authorisation for direct non-life insurance business, an insurance association shall connect the risks specified in Chapter 2, section 10 of Finansinspektionen's regulations and general guidelines regarding insurance business (FFFS 2015:8) to the classes of non-life insurance specified in Chapter 2, section 11 of the Insurance Business Act (2010:2043).

If an authorisation encompasses two or more classes of non-life insurance, a group of classes such as this shall be designated in the manner specified in Chapter 2, section 11 of FI's regulations and general guidelines regarding insurance business.

Classes of life insurance

Section 4 With regard to authorisation for direct life insurance business, an insurance association shall connect the risks specified in Chapter 2, section 12 of Finansinspektionen's regulations and general guidelines regarding insurance business (FFFS 2015:8) to the classes of life insurance specified in Chapter 2, section 12 of the Insurance Business Act (2010:2043).

Chapter 3 Information

Information before an insurance policy is issued

Section 1 An insurance association shall provide the information specified in sections 2–8.

General guidelines

The information should be provided free of charge and in a durable form. If the information is available in digital form, the policyholder should be able to obtain it in paper form upon request.

Section 2 An insurance association shall inform those who are offered the opportunity to take out an insurance policy of

1. the association's current statutes,
2. the annual premium and fees charged for the insurance policy,
3. what the insurance policy covers,
4. information about the sum insured,
5. entitlement to a bonus or value indexation,
6. other insurance terms and conditions, and
7. contact details for the association.

In the information, the insurance association shall specifically emphasise important limitations in the insurance policy.

Section 3 For the types of benefits that apply for the association and that are stated below, an insurance association shall also inform those offered the opportunity to take out an insurance policy of

– the terms and conditions that apply to those who may receive the sum insured when *life cover* is provided and of any fees that may be deducted from the insurance policy, and

– the period of time for which a *retirement pension* can be paid out or planned to be paid out.

If there is a *survivor's pension*, the insurance association shall provide information about how the cover is structured and about any fees that may be deducted from the insurance policy.

Information during the insurance term but prior to payout period

Section 4 An insurance association shall inform policyholders and other beneficiaries of any changes made to the insurance policy.

Section 5 An insurance association that has benefits with a periodically calculated bonus shall inform policyholders and other beneficiaries annually of

1. the current insurance capital,
2. the current bonus and whether the bonus can be withdrawn,
3. whether it is possible to surrender the policy and if so, at what value, and
4. current life cover in the event that premium payments have ceased.

Point 1 of the first paragraph does not apply to an insurance association that applies a method for increasing pension amounts that are not directly linked to the association's returns.

Information about transfer of the value insured

Section 6 § An insurance association, the insurance contracts of which are encompassed by the right to transfer the policy's value in accordance with Chapter 11, section 5 of the Insurance Contracts Act (2005:104) shall, if a policyholder or other beneficiary requests this, provide relevant information about what the policyholder or other beneficiary should know prior to a transfer.

Information during the payout period

Section 7 Prior to the first payment and then annually, an insurance association shall inform policyholders and other beneficiaries of the current benefit that is to be paid and the period of time over which such payments are planned. For temporary payments, the association shall also inform policyholders and other beneficiaries when one year remains of the payout period.

When terms and conditions are amended, the association shall inform policyholders and other beneficiaries how the changes affect any future payments of a benefit in the form of value indexation or supplementary amount due to a bonus.

Information in the statutes

Section 8 If an insurance association's statutes contain the information specified in sections 3–7, it is sufficient for the association to give the statutes to the person being offered the opportunity to take out an insurance policy, policyholders and other beneficiaries.

If an insurance association's statutes are amended the policyholders and other beneficiaries shall be informed of the content of the amendments.

Chapter 4 Technical provisions

Section 1 An insurance association shall make technical provisions for its commitments resulting from insurance contracts entered into.

Section 2 The technical provisions shall encompass

1. unearned premiums and unexpired risks,
2. life insurance provisions,
3. outstanding claims, and
4. bonuses and discounts.

Section 3 For an insurance association granted dispensation in accordance with Chapter 1, section 1 of the Annual Accounts at Insurance Undertakings Act (1995:1560) there are provisions concerning the calculation of technical provisions in Finansinspektionen's regulations and general guidelines (FFFS 2011:27) regarding simplified annual accounts at insurance undertakings granted dispensation. For an association that does not have such dispensation there are provisions concerning the calculation of technical provisions in Finansinspektionen's regulations and general guidelines (FFFS 2019:23) regarding annual accounts at insurance undertakings and occupational pension undertakings.

General guidelines

When an insurance association discounts the technical provisions, the association should use the discount rate curve that Finansinspektionen publishes on its website or the discount rate that applies by virtue of Finansinspektionen's regulations (FFFS 2007:24) regarding technical bases.

Chapter 5 Investments

Section 1 An insurance association shall have assets that amount to at least an amount that corresponds to the technical provisions the association has made on its own account with the addition of an amount that corresponds to the standardised capital requirement in accordance with Chapter 6.

Technical provisions on own account refers to the technical provisions specified in Chapter 4 less ceded reinsurance.

General guidelines

An insurance association should have a list of the assets that correspond to the technical provisions and the standardised capital requirement. It should be possible to provide this list to Finansinspektionen upon request.

Location of assets

Section 2 An insurance association's assets shall be kept so that they are accessible to the association.

Management of foreign exchange risk

Section 3 An insurance association's assets shall be invested so that the risk of exchange losses is limited.

Risk spread

Section 4 An insurance association shall invest in financial instruments and other assets in such a way that an appropriate risk spread is achieved. When making investments, the association shall take into consideration the association's commitments and changes in the assets' future value and yield. The association shall invest all assets so that the association's liquidity is satisfactory and the expected yield is sufficient.

Limitation rules for assets that correspond to the technical provisions and the standardised capital requirement

Section 5 For assets that correspond to the technical provisions and the standardised capital requirement, an insurance association's risk spread in accordance with section 4 shall take into consideration the limitation rules set out in sections 6–17.

Eligible assets

Section 6 The assets that correspond to the technical provisions and the standardised capital requirement may, with the limitations specified in sections 7, 8 and 10–17 consist of investments in the following assets:

1. bonds or other debt instruments for which the Swedish State, a Swedish municipality or comparable entity is responsible,
2. bonds or other debt instruments for which the European Union, foreign states or foreign central banks are responsible,
3. bonds or other debt instruments for which a foreign municipality or comparable foreign entity that has revenue-raising powers is responsible,
4. bonds or other debt instruments for which international organisations are responsible,
5. claims against premiums or other claims against policyholders that are associated with insurance contracts if a legal entity such as those specified under points 1–4 is responsible for the claim,
6. claims against premiums for non-life insurance that are not yet payable for later periods than the current period when more than one premium period has been agreed and when the intention is for the commitment to be cancelled if payment is late,
7. debt instruments collateralised by life policies, within the surrender value,

8. funds in an account at a bank, credit market company or foreign credit institution,
9. bonds and other debt instruments for which a bank, credit market company, Svenska skeppshypotekskassan or an securities company with authorisation in accordance with Chapter 2, section 2, first paragraph, points 2 and 8 of the Securities Market Act (SFS 2007:528) is responsible,
10. bonds and other debt instruments for which a foreign credit institution is responsible,
11. bonds and other debt instruments for which a public limited liability company or equivalent foreign company is responsible,
12. shares and other securities that can be considered equivalent to shares and have been issued by a public limited liability company or an equivalent foreign company with the exception of companies referred to in point 13,
13. shares and other securities that can be considered equivalent to shares and have been issued by a public limited liability company or an equivalent foreign company, provided it is a function of the company to own the assets referred to in point 14,
14. real estate, site leaseholds and buildings, as well as shares in such property,
15. debt instruments for which natural persons and legal entities other than those specified under points 1–4 and 9–11 are responsible – and that are collateralised by liens on real estate or site leasehold – provided the lien is within 25 per cent of the value of the real estate or site leasehold,
16. debt instruments for which natural persons and entities other than those specified in points 1–4 and 9–11 are responsible, and for which adequate collateral other than liens on real estate or site leaseholds has been provided,
17. cash,
18. units of Swedish UCITS and of UCITS referred to in Chapter 1, section 7 of the Swedish UCITS Act (2004:46), and of non-UCITS funds referred to in Chapter 1, section 11, point 23 of the Alternative Investment Fund Managers Act (2013:561),
19. decided excess tax,
20. reinsurers' claims against the ceding insurance association (cedant) that are based on the cedant having held assets that correspond to a reinsurance cession.

General guidelines

When applying section 6, point 4, the insurance association should consult Finansinspektionen prior to investing in debt instruments that have been issued by international organisations other than the World Bank, International Monetary Fund, European Investment Bank or European Union.

Investing in shares and participations in subsidiaries

Section 7 An insurance association may invest in shares and participations in subsidiaries if it is a function of the subsidiary to either directly or indirectly own assets specified in section 6, point 14 and the buildings that belong to this real estate

and site leaseholds are insured against fire. The same applies to buildings that belong to real estate and site leaseholds that constitute collateral for debt instruments in accordance that section 6, point 15.

Section 8 As assets, an insurance association may invest in shares and other securities that can be considered equivalent to shares that have been issued by a private limited company, provided the undertaking is a subsidiary as referred to in section 7.

Permission to invest in other assets

Section 9 An insurance association may, having obtained consent from Finansinspektionen, temporarily invest in assets other than those specified in section 6 if there are special grounds to do so.

Limited investments in assets

Limited use of transferable securities

Section 10 An insurance association may invest in transferable securities only if they are realisable in the short term or admitted to trading on a regulated market or an equivalent market outside the EEA.

The first paragraph does not apply to those shares and participations referred to in section 7.

Limited investments in assets that are burdened by rights in rem

Section 11 An insurance association may invest in assets burdened by lien or other rights in rem.

Specific limitations on investments in certain assets

Derivatives

Section 12 An insurance association may invest in derivatives in order to reduce the risk or otherwise streamline the management of the association's assets and liabilities.

Unlisted assets

Section 13 An insurance association may invest in financial instruments and other assets that are not admitted to trading on a regulated market. Such investments shall be kept to prudent levels.

General guidelines

A smaller insurance association such as is referred to in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043) should not invest in derivatives or unlisted assets.

General limitations for unilateral exposures

Section 14 An insurance association's assets shall be differentiated such that the value of an individual investment is equivalent to no more than the following proportions of total assets:

1. Five per cent if the investment consists of a piece of real estate, a site leasehold or building or of a group of such property that is situated in such a way that, from the perspective of risk, it constitutes one investment. The equivalent shall apply to shares in such a property.
2. Five per cent if the investment consists of bonds, debt instruments, shares or other securities that can be considered equivalent to shares from the same issuer or borrower, provided nothing else applies by virtue of points 3 or 4.

3. Ten per cent if the investment consists of bonds, debt instruments, shares or other securities that can be considered equivalent to shares from the same issuer or borrower and the issuer or borrower is a legal entity such as is referred to in section 6, points 9 or 10.

4. 25 per cent if the investment consists of debt instruments from the same issuer that are issued in accordance with the Covered Bonds (Issuance) Act (2003:1223) or equivalent foreign debt instruments.

Section 15 The limitations in section 14, points 2 and 3 do not apply to the assets specified in section 6, points 1–5.

Section 16 The total holding of investments in accordance with section 14, points 2–4 that originate from the same issuer or borrower may constitute a maximum of 25 per cent of the assets.

The total holding of the investments referred to in section 14, point 3 may constitute a maximum of 40 per cent of the assets. However, the proportion of shares or other securities that can be considered equivalent to shares from the same issuer may not exceed five per cent of the assets.

Section 17 When applying sections 14 and 16, an insurance association shall treat the assets that belong to a subsidiary as per section 7 as if the assets had been owned directly by the insurance association.

The association shall also, when applying sections 14 and 16, consider unsecured debentures and partly unsecured debentures as equivalent to the assets specified in section 6, points 12 and 13.

Groups of issuers or connected borrowers

Section 18 When applying section 14, points 2–4, an insurance association shall apply the limitations in a corresponding manner to groups of issuers or connected borrowers. When applying this, the association shall take into account the assets that belong to a subsidiary in accordance with section 7 as if they had been owned directly by the insurance association and consider unsecured debentures and partly unsecured debentures as equivalent to the assets that specified in section 6, points 12 and 13.

Derogations

Section 19 An insurance association may, having obtained consent from Finansinspektionen, be granted temporary dispensation from the limitations specified in sections 14 and 16.

Chapter 6 Own funds and standardised capital requirement

Own funds

Sufficient own funds

Section 1 An insurance association shall at any given moment have sufficient own funds to cover the standardised capital requirement that is calculated in accordance with section 3.

Composition of the own funds

Section 2 An insurance association's own funds may include the following items:

1. equity less intangible assets,
2. untaxed reserves, and
3. revaluation surpluses on assets.

The association may, having obtained consent from Finansinspektionen, include other items in the own funds or deduct items from the own funds other than those specified in the first paragraph.

Revaluation surpluses on assets in accordance with point 3 of the first paragraph may only be included in the association's own funds if this value appears in the association's annual accounts.

Standardised capital requirement

Section 3 An insurance association shall calculate for its operations a standardised capital requirement that constitutes five per cent of the association's technical provisions, as defined in chapter 4.

Chapter 7 Governance of an insurance association**Governance**

Section 1 Provisions concerning governance of certain insurance associations are found in Chapter 1, section 19 e, first paragraph, point 4 and second paragraph of the Insurance Business Act (2010:2043).

General guidelines

An insurance association should adopt a strategy and objectives for the operations conducted by the association. The association should also monitor compliance with the strategy and achievement of the association's objectives.

Material changes relating to the operations and organisation should be decided by the board of directors.

An insurance association should lay down rules of procedure for the board of directors in its internal rules.

An insurance association should ensure that there are appropriate systems for internal information.

Internal governance and control

Section 2 An insurance association shall endeavour to ensure that the organisation and management of the association's operations are characterised by sound internal control.

General guidelines

An insurance association should, through sound internal control, ensure there is

- appropriate management of its operations,
- reliable financial reporting,
- a good ability to identify, measure, monitor and manage its risks, and
- a good ability to comply with acts, ordinances, regulations and other rules that apply to its operations.

An insurance association can achieve sound internal control by, for example,

- establishing appropriate internal rules,
- allocating responsibility and work in such a manner that the risk of conflicts of interest is avoided,
- continuously monitoring its operations and ensuring that there are internal controls that ensure appropriate management of its operations, reliable reporting, appropriate risk management and good regulatory compliance,
- ensuring that the reporting is complete and accurate and that transactions are reported on time, and
- ensuring continuity of its operations and protecting the association's and customers' assets.

Management and control of risks

Section 3 An insurance association shall ensure that the association's management of risks (risk management) and follow-up of the association's risks (risk control) are satisfactory.

General guidelines

The board of directors should adopt internal rules for risk management and risk control. Compliance with these rules should be ensured continually.

Risks that the insurance association should manage and control include

- credit and counterparty risks,
- market risks (interest rate risks, currency risks, and price risks),
- liquidity risks,
- insurance risks, and
- operational risks (risk of losses due to incorrect or inappropriate internal processes and procedures, human error, defective systems or external events, including legal risks).

Compliance

Section 4 An insurance association shall ensure that the association complies with the acts, ordinances, regulations and other rules that apply to its operations.

Independent audit (internal audit)

Section 5 An insurance association shall have an internal audit function that shall audit and evaluate the internal controls.

The internal audit function shall

1. establish its priorities using a risk-based approach,
2. report the results of its audits to the association's board of directors, and
3. be independent of the operations that are being audited.

A smaller insurance association, as referred to in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043), shall, instead of that which is stated in the first paragraph, regularly evaluate whether there is a need for an independent audit of the association's internal control. When conducting this evaluation, the association shall take into consideration the nature, scope and complexity of its operations as well as whether changes have been made to its operations since a previous evaluation. If the evaluation leads the association to conclude that there is a need for an independent audit, the association shall ensure that such an audit is carried out. The independent audit shall meet the requirements in points 2 and 3 of the second paragraph.

Outsourcing

Section 6 An insurance association may task someone outside of the association with conducting parts of its operations. However, the association is always responsible for the outsourced operations.

Section 7 An insurance association that outsources parts of its operations to a contractor outside of the association shall draft a written outsourcing agreement that regulates the parties' rights and responsibilities in the matter of the outsourced operations.

Section 8 An insurance association that outsources parts of its operations to a contractor outside of the association shall ensure that Finansinspektionen continues to be able to conduct effective supervision of the association and that the association's obligations in respect of Finansinspektionen or the association's policyholders and other beneficiaries are not neglected.

If an association intends to outsource a central part of its operations that are subject to authorisation, the association shall report this to Finansinspektionen in advance.

General guidelines

When the association outsources operations to a contractor, it should ensure that

- risks are managed appropriately in the outsourced operations,
- there are appropriate monitoring procedures for the outsourced operations,
- the contractor safeguards confidential information that pertains both to the association and its members, and

- strategies are drawn up for how the outsourcing can be discontinued and the outsourced operations brought back in house by the association without significant disruption to important activities at the association.

Section 9 A smaller insurance association, as referred to in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043), shall inform Finansinspektionen if it has outsourced a central part of its operations that are subject to authorisation in connection to the annual reporting in accordance with Chapter 9, section 1.

Chapter 8 Actuarial investigation

General

Section 1 An insurance association shall prepare and submit an actuarial investigation of the association's financial position to Finansinspektionen. The investigation shall

- be submitted before the end of September of the year after that in which the association was granted authorisation and then not less than every third year before the end of September, and
- be based on the financial position of the association as at 31 December of the year prior to that in which the investigation was prepared.

In other cases, the association shall also prepare and submit an investigation of this nature at the request of Finansinspektionen.

The first paragraph does not apply to a smaller insurance association as referred to in Chapter 1, section 19d, second paragraph of the Insurance Business Act (2010:2043). These associations only need to prepare and submit an actuarial investigation if Finansinspektionen requests this or when the association intends to, through specific individual decisions, raise the amounts for one or more of the insurance benefits that are being offered.

Section 2 An insurance association's actuarial investigation shall be carried out by a person who

- has the knowledge and experiences of actuarial and financial mathematics that are appropriate taking into account the nature, scope and complexity of the risks in the association's operations, or
- has been declared by Finansinspektionen to be qualified to conduct the investigation.

Contents of the investigation

Lines of insurance

Section 3 An insurance association with several lines of insurance or several different types of insurance benefits shall address every such line or benefit separately in the actuarial investigation.

Insurance benefits

Section 4 An insurance association shall describe in the actuarial investigation the insurance benefits that are offered to policyholders and other beneficiaries.

Technical provisions

Section 5 In the actuarial investigation, an insurance association shall specify, before summing up and deductions, technical provisions in separate parts that are relevant to its operations. The parts shall be specified on capital values for

- future insurance commitments,
- insurance policies subject to periodic disbursement,
- future administration costs, and
- future premiums and fees.

In addition, an insurance association shall specify the assumptions for insurance risk (mortality, morbidity or other risk assumptions), operating expenses and future yield tax.

For an insurance association that granted dispensation in accordance with Chapter 1, section 1 of the Annual Accounts at Insurance Undertakings Act (1995:1560), the capital values are based on Finansinspektionen's regulations and general guidelines (FFFS 2011:27) regarding simplified annual accounts at insurance undertakings granted dispensation. For the associations that do not have dispensation, the capital values are based on Finansinspektionen's regulations and general guidelines (FFFS 2019:23) regarding annual accounts at insurance undertakings and occupational pension undertakings.

Surplus

Section 6 For each line of insurance or insurance benefit, an insurance association shall specify in the actuarial investigation the current economic surplus and, if applicable to the association's operations, the relationship between the association's assets and its commitments, including the allocated bonus capital (consolidation level).

General guidelines

In the actuarial investigation, the association should state whether it is proposed that the current economic surplus affect the association's various benefits, including bonuses. If such a proposal is submitted, the association should take into consideration how the consolidation level is affected by the proposal.

References to the contribution principle

Section 7 In the actuarial investigation, an insurance association shall describe how the association applies Chapter 13, section 23 of the Insurance Business Act (2010:2043) (the contribution principle) based on the design of the benefits in

accordance with the insurance contract or the association's statutes. In the investigation, the association shall refer to applicable insurance contracts or to the association's statutes.

Amendments to statutes

Section 8 In the actuarial investigation, an insurance association shall state whether any amendments that are of significance to that which is stated and the conclusions that are drawn in the current investigation have been made to the statutes since the association last submitted an investigation to Finansinspektionen. The association shall specifically state what effects such an amendment to the statutes is deemed to have.

Chapter 9 Reporting

Section 1 An insurance association shall submit the data that are specified in *Appendix 1* to Finansinspektionen each year.

Instructions concerning the data that shall be submitted can be found in *Appendix 2*.

Section 2 The data in accordance with section 1 shall be submitted to Finansinspektionen by email or post no later than 15 May. The data shall pertain to circumstances as at 31 December.

Section 3 If the information an insurance association has submitted contains errors, the association shall submit a new report with amended information to Finansinspektionen as soon as possible.

Section 4 Finansinspektionen may, upon application by an insurance association, decide to exempt the association completely or partially from the requirement to submit data in accordance with section 1 if there are special grounds to do so.

Chapter 10 Action plan if the capital requirement is not met

Section 1 The provisions concerning an insurance association's obligation to prepare an action plan are set out in Chapter 18 of the Insurance Business Act (2010:2043).

The contents of the action plan

Section 2 An insurance association's action plan shall contain details concerning the association's financial position at the time the plan was prepared and a description of the action the association intends to take in order to meet the standardised capital requirement once again.

An action plan shall also contain information and forecasts concerning

1. operating expenses, particularly running costs and commission,
2. revenue and expenses relating to direct insurance and ceded reinsurance,
3. balance sheet, and

4. assets that are held in order to cover technical provisions and to meet the standardised capital requirement.

Chapter 11 Fees for surrender and transfer

Section 1 Provisions concerning surrender and transfer are set out in Chapter 4 of the Insurance Business Act (2010:2043).

Section 2 When calculating direct costs for administrative management of surrender and transfer in accordance with Chapter 4, section 17c of the Insurance Business Act (2010:2043), an insurance association may take into account the following costs if they refer to measures that are being carried out in order to fulfil a request for surrender or transfer:

1. staff costs,
2. costs for printouts, postage and digital mailings, and
3. data costs.

These regulations and general guidelines shall enter into force on 1 November 2020.

ERIK THEDÉEN

Nanny Hiort