

# SAV Solvency Working Group

## Terms of Reference

### A. Objectives

The Swiss Association of Actuaries (SAV) proposes the establishment of a dedicated working group to focus on the evolving solvency frameworks, including the Swiss Solvency Test (SST), the newly enacted Swiss Restructuring Law, the EU Solvency 2 Directive (SII) and the EU Recovery and Resolution Directive (IRRDR). In addition, the Group should consider other solvency developments if they are relevant to the Swiss market, in particular Solvency UK and the Insurance Capital Standard (ICS) of the International Association of Insurance Supervisors (IAIS). In particular, the Level 2 and Level 3 regulation to be developed as a result of the SII review and the IRRDR will be a focus in the immediate future. This will primarily affect insurance and reinsurance undertakings in the EU and the European Economic Area (EEA), but also insurance undertakings in Switzerland with EU subsidiaries or that are subsidiaries of EEA groups. In addition, the developments may have some implications for Swiss regulation.

The insights gained will support the ongoing regulatory review and should ensure that the Swiss actuarial perspective is well represented in the evolving European regulatory landscape.

By actively participating in European regulatory discussions, we aim to facilitate exchange and understanding.

### 1. Organization

The working group will consist of 5 to 20 members, ideally bringing together a variety of perspectives from the Swiss actuarial community. To ensure comprehensive coverage, the views of Swiss companies' subsidiaries in the EEA and UK, Liechtenstein-based companies and Swiss reinsurers with insurance clients in the EEA and UK will be considered.

The Working Group will operate under the auspices of the SAV and report directly to the Board through a Board member to be appointed. It will have the flexibility to establish sub-groups or panels of experts to explore in greater depth specific areas of interest or concern.

### 2. Tasks and Responsibilities

The working group initial focus will be the following:

- a) Reviewing and analysing the amendments to the Solvency II directive and the proposed IRRDR, focusing on specific relevant topics.
- b) Formulating and proposing comments on the amendments to the IRRDR and Solvency II Delegated Act based on the actuarial perspective.
- c) Contributing insights on how relevant issues are addressed in the Swiss Solvency Test (SST) and the Swiss Restructuring regime.
- d) Monitor the development in Solvency UK
- e) Monitor the developments in the ICS

### 3. Timeline and Frequency

The working group is expected to meet regularly, at least quarterly, to discuss ongoing developments and share insights. In addition, ad hoc meetings may be scheduled to address urgent issues or respond to regulatory updates.

#### **4. Leadership, Membership and Recruitment**

The working group shall be led by Lutz Wilhelmy. Membership of the Working Group is open to all interested and qualified individuals. Members will be selected on the basis of their expertise, experience and interest in the subject matter. The Working Group aims to maintain a balance between different sectors and professions within the actuarial profession.

#### **B. Conclusion**

The establishment of the Solvency Working Group demonstrates SAV's commitment to actively participate in shaping the regulatory landscape and ensure that the actuarial perspective is well represented. By working together on these critical issues, we will strengthen our position within the European, UK and international regulatory framework and contribute to the resilience and success of insurance in Switzerland.

This proposal has been approved by the SAV Board.