Changes to legislation: *There are outstanding changes not yet made to Commission Implementing Regulation (EU) 2015/2015. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)EUR 2015 No. 2015 may be subject to amendment by EU Exit Instruments made by the Prudential Regulation Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 2. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details)EUR 2015 No. 2015 may be subject to amendment by EU Exit Instruments made by the Prudential Regulation Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 2. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes*

Commission Implementing Regulation (EU) 2015/2015 of 11 November 2015 laying down implementing technical standards on the procedures for assessing external credit assessments in accordance with Directive 2009/138/EC of the European Parliament and of the Council (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2015/2015

of 11 November 2015

laying down implementing technical standards on the procedures for assessing external credit assessments in accordance with Directive 2009/138/EC of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)[(1)], and in particular the fourth subparagraph of Article 44(4a) thereof,

Whereas:

(1) Additional assessments of the appropriateness of the external credit assessments referred to in Article 44(4a) of Directive 2009/138/EC should constitute a critical and important activity as part of the risk-management system as they mitigate risks related to the calculation of the technical provisions and the Solvency Capital Requirement.

(2) The procedural aspects of additional assessments are to be reflected in the policy on risk management of the insurance and reinsurance undertakings referred to in Article 41(3) of Directive 2009/138/EC as additional assessments are part of the risk-management system.

(3) The nature, scale and complexity of the business of insurance and reinsurance undertakings should be taken into account when these undertakings include the procedural aspects of additional assessments into their policy on risk management and document the results of the additional assessments and the way in which those assessments are carried out.

(4) This Regulation is based on the draft implementing technical standards submitted by the European Insurance and Occupational Pensions Authority to the Commission.

(5) The European Insurance and Occupational Pensions Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Insurance and Reinsurance Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council[(2)],

Changes to legislation: *There are outstanding changes not yet made to Commission Implementing Regulation (EU) 2015/2015. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)EUR 2015 No. 2015 may be subject to amendment by EU Exit Instruments made by the Prudential Regulation Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 2. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details)EUR 2015 No. 2015 may be subject to amendment by EU Exit Instruments made by the Prudential Regulation Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 2. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes*

HAS ADOPTED THIS REGULATION:

Article 1

Policy on risk management

For the purpose of assessing the appropriateness of external credit assessments used in the calculation of technical provisions and the Solvency Capital Requirement by way of additional assessments referred to in Article 44(4a) of Directive 2009/138/EC, insurance and reinsurance undertakings shall include in their policy on risk management the following:

(a) the scope and frequency of the additional assessments;

(b) the manner in which the additional assessments are carried out, including the assumptions on which they are based;

(c) the frequency of the regular review of the additional assessments and the conditions requiring an *ad hoc* review of the additional assessments.

Article 2

Tasks of the risk-management function

Insurance and reinsurance undertakings shall ensure that the risk-management function covers the additional assessments in accordance with the risk management policy referred to in Article 1 and duly considers the results of the additional assessments in the calculation of technical provisions and the Solvency Capital Requirement.

Article 3

Information used for the additional assessments

When carrying out the additional assessments the insurance and reinsurance undertakings shall use information that is derived from reliable sources that are up to date.

Article 4

Review of additional assessments

1 In accordance with Article 41(3) of Directive 2009/138/EC, insurance and reinsurance undertakings shall at least annually review their additional assessments.

2 Insurance and reinsurance undertakings shall also review the additional assessments on an *ad hoc* basis, whenever any of the conditions under Article 1(c) take place or if the assumptions on which those assessments are based are no longer valid.