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DECREE
of the National Bank of Slovakia
of 20 May 2008

on requirements of the responsible actuary's report on activities of an insurance company or reinsurance company and on requirements of the responsible actuary's report on activities of a branch of a foreign insurance company or branch of a foreign reinsurance company

In accordance with Article 46 paragraph (17) of Act No. 8/2008 Coll. on insurance and on amendments and supplements to certain laws the National Bank of Slovakia hereby lays down as follows:

Article 1

The responsible actuary's report on activities of an insurance company shall include

- a) business name, registered office and identification number of the insurance company,
- b) date of granting the authorization to pursue insurance activity, marking of the insurance type and insurance classes for which the authorization to pursue insurance activity has been granted,
- c) date of granting the authorization to pursue reinsurance activity, if granted, and marking of the insurance type for which the authorization to pursue reinsurance activity has been granted,
- d) name and surname of the responsible actuary, date of his/her registration in the register of actuaries, type and duration of the responsible actuary's contractual relation with the insurance company; where there are two responsible actuaries appointed separately for life assurance and separately for non-life insurance, the data on the responsible actuaries shall be stated together, whereas the insurance type for which each of them is responsible shall be specified,
- e) description of insurance activity, including all significant changes in insurance activity,
- f) description of reinsurance activity, if pursued by the insurance company, including all significant changes in reinsurance activity,
- g) description of insurance risks assigned in the form of reinsurance,
- h) description of assets and liabilities resulting from insurance activity and from reinsurance activity, if pursued by the insurance company,
- i) description of liability adequacy test performed,
- j) estimation of required solvency margin¹⁾ and actual solvency margin²⁾ for the subsequent calendar year,
- k) information about all defects at the insurance activity and reinsurance activity pursuance connected with the performance of the responsible actuary activity and which the

¹⁾ Article 34 paragraph (3) of Act No. 8/2008 Coll. on insurance and on amendments and supplements to certain laws.

²⁾ Article 34 paragraph (4) of Act No. 8/2008 Coll.

responsible actuary found during the preceding calendar year and about all proposed measures to remove such defects,

- l) the responsible actuary's opinion of
 1. technical reserves amount and their placement,
 2. calculation of the required solvency margin,
 3. calculation of insurance premium rates and their adequacy,
 4. factors that could endanger insurance activity and reinsurance activity,
 5. credibility of data included in the responsible actuary's report on the insurance company activity and eventual doubts related to them.

Article 2

(1) Description of insurance activity, including all significant changes in insurance activity, under Article 1 paragraph (e) shall contain

- a) list of all products in relation to which at least one (1) contract has been valid during the preceding calendar year,
- b) description of the risk assumed for the risk groups, including guarantees and options,
- c) description of the method of calculation of the insurance premium for risk groups,
- d) analysis of the comparison of assumptions in the insurance premium calculation under consideration and the actual insurance premium.

(2) Description of reinsurance activity, including all significant changes in reinsurance activity, under Article 1 paragraph (f) shall mean the description of the risk assumed from another insurance company or reinsurance company and the manner of its guarantee.

(3) Description of insurance risks assigned in the form of reinsurance under Article 1 paragraph (g) shall contain

- a) principles for assignment of risks to reinsurance companies,
- b) significant changes in clauses of contracts concluded with reinsurance companies.

(4) The description of assets and liabilities resulting from insurance activity and reinsurance activity under Article 1 paragraph (h) shall include

- a) description of the method of calculation of technical reserves, including options and guarantees,
- b) description of evaluation of reinsurers' shares in technical reserves,
- c) description of evaluation of expected future compensations of the claim payments amount in relation to the insurance events of the insurance company,³⁾
- d) description of the evaluation of the part of acquisition costs accruals and deferrals,
- e) description of evaluation of insurance contracts acquired within portfolio transfer,
- f) the manner of determination of the share in the yields made within life assurance and the amount of the allocated yield,
- g) description of significant changes in assets and liabilities resulting from insurance and reinsurance activity,
- h) specification of values under subparagraphs (a) through (e).

(5) The description of the performed liability adequacy test under Article 1 subparagraph (i) shall include

³⁾ Article 813 and 827 of Civil Code.

- a) description of the adequacy test of the liability within life assurance and non-life insurance,
- b) division of the insurance portfolio into risk groups for the purposes of the test,
- c) list of used assumptions and their specification, including risk loading for unfavourable development, and manner of their derivation,
- d) determination of portfolio parts, which have not been included in the liability adequacy test, including reasoning,
- e) specification of changes in assumptions and risk loadings in comparison with the preceding calendar year, including their reasons,
- f) analysis of the performed test sensitivity to the changes in assumptions,
- g) test result, i.e. the value of technical reserves without the reserve for inadequacy and minimal value of the liability in accordance with the test performed, and their difference.

Article 3

The responsible actuary's report on activities of a reinsurance company shall include

- a) business name, registered office and identification number of the reinsurance company,
- b) date of granting the authorization to pursue reinsurance activity, marking of the insurance type for which the authorization to pursue reinsurance activity has been granted,
- c) name and surname of the responsible actuary, date of his/her registration in the register of actuaries, type and duration of the responsible actuary's contractual relation with the reinsurance company; where there are two responsible actuaries appointed separately for life assurance and separately for non-life insurance, the data on the responsible actuaries shall be stated together, whereas the insurance type for which each of them is responsible shall be specified,
- d) description of reinsurance activity, including all significant changes in reinsurance activity and description of assumed risks,
- e) description of the reinsurance premium rate calculation method, including reference to the assumptions used in the reinsurance premium rate calculation,
- f) description of technical reserves creation,
- g) description of liability adequacy test performed,
- h) estimation of required solvency margin¹⁾ and actual solvency margin²⁾ for the subsequent calendar year,
- i) information about all defects at the reinsurance activity pursuance connected with the performance of the responsible actuary activity and which the responsible actuary found during the preceding calendar year and about all proposed measures to remove such defects,
- j) the responsible actuary's opinion of
 1. technical reserves amount and their placement,
 2. required solvency margin calculation,
 3. calculation of reinsurance premium rates and their adequacy,
 4. factors that could endanger reinsurance activity,
 5. credibility of the data included in the responsible actuary's report on the reinsurance company activity and eventual doubts related to them.

Article 4

The responsible actuary's report on activities of a branch of a foreign insurance company shall contain the requirements referred to in Article 1 and Article 2.

Article 5

The responsible actuary's report on activities of a branch of a foreign reinsurance company shall contain the requirements referred to in Article 3.

Article 6

This Decree shall come into effect on 15 June 2008.

**Ivan Šramko, in his own hand
Governor**

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