



COORDINATION ARRANGEMENT

Munich Re

March 2015

Coordination arrangement for Munich Re Group

Introduction

Based on Article 248(4) of 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 Reinsurance¹ (hereinafter 'Solvency II Directive') these Coordination arrangements have been concluded for the establishment and functioning of the college of supervisors for Munich Re Group.

These arrangements do not create any additional legally binding obligations on members and participants which are not specified in the Solvency II Directive or in the Commission Delegated Regulation 2015/35. Third-country participants are bound by their own national laws and regulations.

These arrangements will take effect between members and participants as stated in Annex 1.A, all together referred to in these arrangements as the college of supervisors.

The group supervisor, the other members and participants recognise the need to cooperate in the supervision of Munich Re Group on the basis of mutual understanding and cooperate wherever necessary in supervising Munich Re Group, within the framework of the EIOPA Guidelines on the operational functioning of colleges of supervisors.

In order to enhance the efficiency of the group supervision, members and participants can decide jointly to cooperate on an ad-hoc basis with competent authorities which cannot be invited as participants, for third-country authorities subject to conditions of equivalence of professional secrecy rules, as specified in paragraph 7 of these arrangements.

All annexes are part of these arrangements.

1. Definitions

The following definitions will apply to these arrangements:

- a. Group supervisor: the supervisor responsible for the coordination and exercise of group supervision in accordance with Article 212(1)(d) of the Solvency II Directive and appointed in accordance with the procedure of Article 247 of the Solvency II Directive;
- b. Supervisory authority: the national authority or authorities empowered to supervise insurance or reinsurance undertakings in accordance with Article 13(10) of the Solvency II Directive;
- c. Third-country supervisory authority: the national authority or authorities in a non-EEA country empowered to supervise insurance or reinsurance undertakings;
- d. Members: members of the college of supervisors identified in Article 248(3) of the Solvency II Directive, including:

¹ OJ L 335, 17.12.2009, p.1.

- the group supervisor;
 - EEA supervisory authorities of subsidiaries;
 - EIOPA,
- e. Participants:
- supervisory authorities allowed to participate in the colleges of supervisors identified in Article 248(3) of the Solvency II Directive, subject to the group supervisor inviting them pursuant to Article 354 of the Commission Delegated Regulation 2015/35 including:
 - o EEA supervisory authorities of significant branches;
 - o EEA supervisory authorities of related undertakings other than subsidiaries;
 - o third-country supervisory authorities of related undertakings including subsidiaries.
 - pursuant to Article 252 of the Solvency II Directive, and subject to the group supervisor inviting them, authorities responsible for the supervision of credit institutions and investment firms that are part of the group.
- f. Group: a group of undertakings as defined in Article 212 of the Solvency II Directive;
- g. College: a college of supervisors as defined in Article 212(1)(e) of the Solvency II Directive;
- h. Specialised team: a team composed of either members or members and participants, established by the group supervisor in consultation with the college of supervisors for carrying out some activities of the college of supervisors;
- i. Helsinki plus list: a list of all EEA insurance groups and its EEA and third-country subsidiaries and branches, with contact details of the supervisory authorities involved in the supervision of the group and basic supervisory information. The list is administered by EIOPA.

2. Scope and objectives

Scope

These arrangements lay out the basis for the cooperation between members and participants and the practical organisation of supervisory activities concerning Munich Re Group as follows:

- the list of the members and participants of the college;
- the role and responsibilities of the group supervisor;
- the role and responsibilities of the other members and participants;
- the exchange of information and professional secrecy;
- the cooperation between the group supervisor and the other members and participants during on-going supervision and in time of crisis;

- the consultation and the decision making process between the group supervisor and the other members and participants;
- the college work plan;
- the sharing and delegation of tasks;
- the setting up of specialised teams within the college;
- the organisation of joint on-site examinations;
- the assessment of compliance of the group with the requirements on solvency, risk concentration and intra-group transactions;
- the decision making process in general and in relation to the application for the group internal model pursuant to Article 231 of the Solvency II Directive;
- the process for determining the imposition of a group capital add-on;
- the choice of the calculation method of the group solvency and the determination of the proportional share;
- the application of the centralised risk management provisions;

in order to:

- facilitate and foster the exchange of essential and relevant information, views and assessments among members and participants and effective supervision of Munich Re Group, including the avoidance of duplication of tasks and timely action in going concern and emergency situations;
- enable members and participants, in line with their supervisory responsibilities, to form a shared view on the risk profile and solvency position of Munich Re Group and on the impact thereof on individual undertakings that are part of the group;
- achieve coordination of supervisory activities, including supervisory review and risk assessment;
- establish the college work plan and arrange allocation of tasks and on-site examinations;
- coordinate major decisions to be taken by individual supervisory authorities as far as possible and to strive to reach consensus where appropriate;
- support members and participants when exercising their respective supervisory tasks.

3. Principles

The following principles apply to these arrangements:

- the college operates as an on-going cooperative structure not limited to college meetings or teleconferences;
- the college plays a key role in enhancing supervisory cooperation as well as co-ordinating supervisory activities and major decisions to be taken by individual supervisory authorities, striving to reach consensus where appropriate;
- the cooperation between members and participants mainly takes place through the college, whose organisation reflects the activities and legal structure of Munich Re Group as well as the risks to which Munich Re Group and undertakings that are part of the group are or may be exposed;

- Where a member state has more than one supervisory authority for the prudential supervision of an undertaking forming part of Munich Re Group, it takes the necessary measures to ensure coordination between those supervisory authorities;
- members and participants recognise that BaFin is the group supervisor of Munich Re Group and therefore responsible for the coordination and exercise of group supervision of Munich Re Group as stated in these arrangements;
- if not otherwise stated in these arrangements the working language for cooperation and consultation will be English.

4. Description of the group

The Munich Re Group, whose ultimate participating company is Muenchener Rueck AG has its major registered office in an EEA Member State and has related undertakings and branches in the EEA Member States and third countries as described in the Helsinki plus list.

Munich Re is one of the largest European insurance groups. The Group's business activities cover insurance and reinsurance. Munich Re is also active in the field of asset management.

The reinsurance companies of the Group operate globally. Its primary insurers traditionally focus on Germany and high-growth European markets, but have meanwhile been looking to extend their activities to Asian markets. In the business field of Munich Health the group combines its health reinsurance worldwide and health insurance outside Germany. The companies conduct their business from their respective headquarters and also via a large number of branches, subsidiaries and affiliated companies. Controlling and profit-transfer agreements are in place with many subsidiaries, especially between holding company ERGO Versicherungsgruppe AG and its subsidiaries. A diagram of the group is attached in Annex 1.B.

5. Contact details of members and participants

The contact details of members and participants are stored in the directory hosted by EIOPA (Helsinki plus list).

Any updates of the contact details of members and participants will be provided by the group supervisor to EIOPA, which will update the EIOPA directory accordingly. The access of third-country supervisory authorities to this list is conditional to the compliance with professional secrecy requirements and to the agreement between the members of the college, in accordance with Article 379 (e) to (i) of the Commission Delegated Regulation 2015/35. For supervisory authorities who have no access to the Helsinki plus list the contact details will be provided by other means.

It is the task of each member and participants to review the directory at least quarterly and report any changes to the group supervisor as soon as practically possible. All information required at the individual undertaking level should be provided to the group supervisor, who is responsible for updating and sending the list to EIOPA. EIOPA will upload it as soon as practically possible on the restricted area of its website.

6. Responsibilities of members and participants

The effective functioning of the college for Munich Re Group depends on the contribution of the group supervisor and the other members and participants to activities of the

college. This contribution is based on sufficient knowledge of the group and supervisory expertise.

Group supervisor

In accordance with Article 248 of the Solvency II Directive, the group supervisor is responsible for:

- coordination of gathering and dissemination of relevant or essential information for going concern and emergency situations;
- the supervisory review and assessment of the financial situation of the group;
- the assessment of compliance of the group with the rules on solvency and the assessment of risk concentration and intra-group transactions;
- the assessment of the system of governance of the group and the assessment of fitness and propriety of the members of the administrative, management or supervisory body of the participating undertakings;
- planning and coordinating, through regular meetings held at least annually or through other appropriate means, supervisory activities for going concern and emergency situations, in cooperation with members and participants concerned and taking into account the nature, scale and complexity of the risks inherent in the business of all undertakings that are part of the group;
- other tasks, measures and decisions assigned to the group supervisor, in particular leading the process for validation of an internal model at group level and leading the process for reaching a joint decision on the application to be subject to the rules laid down in Articles 238 to 240 of the Solvency II Directive.

In order to fulfil the above tasks, the group supervisor takes the lead in the college's activities, chairs its meetings and establishes appropriate mechanisms to facilitate its operational functioning. To this end, among other activities, the group supervisor:

- updates the contact details of members and participants whenever changes occur on the basis of the reviews sent by the other members and participants;
- informs members and participants in at least two months in advance (see Point 8 Functioning of the college) that a college meeting will be held, without prejudice to ad-hoc or emergency situations;
- prepares the agenda of the college meetings with clearly defined objectives;
- records minutes of the college meetings;
- formalises and follows up the action points agreed upon by members and participants;
- develops the college work plan in cooperation with members and participants;
- performs supervisory review and assessment of the financial situation of the group and, in order to facilitate this task, consults the other members and participants;
- reviews the organisational structure and the coordination arrangements with a view to maintaining efficient group supervision;
- engages in the discussion regarding the need to designate a new group supervisor in case a modification of the group structure could lead to such a decision.

Members and participants

Each member expresses its opinion regarding topics and procedures that require a joint decision or agreement. When a member chooses not to provide a contribution, it is

understood that there are no major comments and the college can act in line with the views communicated.

All members of the college, except EIOPA, vote when required. Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor.

7. Confidentiality, secured communication channels and information exchange

Confidentiality

Further to professional secrecy requirements provided for in the Solvency II Directive or other relevant Union law, the supervisory authorities confirm that any confidential information shared between them shall be used only for lawful supervisory purposes related to supervision of Munich Re Group and fall under members and participants' obligation of professional secrecy and conditions and procedures for the exchange of information among supervisory authorities.

Participants from the third-country jurisdictions can only be a party to confidential information sharing, provided that they have legislative provisions on professional secrecy which are equivalent to those in the relevant Union law. Participants from third countries acknowledge that they have made available to members and participants their own local rules of confidentiality and professional secrecy. Members and participants acknowledge that they have been informed of these local rules, and that they have assessed that the rules of professional secrecy of the participants from third countries are at least equivalent to their own professional secrecy obligations, if the equivalence has not already been positively verified.

Before a new third-country supervisory authority becomes formally a participant of the college, members and participants carry out the above mentioned assessment, if the equivalence has not already been positively verified by each member and participant.

If the assessment for a potential third-country participant has a negative outcome or is still under review, the college organization will be adapted accordingly to ensure that the college still meets professional secrecy requirements in all circumstances.

Members and participants inform the group supervisor of any changes in the guarantees of confidentiality and professional secrecy applying to information transmitted to participants from third countries. Subsequently the group supervisor informs the other members and participants about such confidentiality or professional secrecy issue which may have a negative impact on the assessment of a third-country supervisory authority's professional secrecy regime previously considered equivalent.

Secured communication channels

The college agrees to use within the college the following channels for communication: Telephone, fax, secure E-Mail, mail, personal meetings, teleconferences and secure virtual data rooms/websites

All confidential and sensitive information is shared via the most secured communication channel.

Information exchange

The scope of information exchanged within the college reflects the needs of members and participants. The college complies with the following procedures:

- the group supervisor is responsible for the gathering and dissemination of information;

- a dataset of qualitative and quantitative information at group and individual undertaking level is exchanged between members and participants every year with regard to individual undertaking data and quarterly with regard to group data.(see Annex 1.C)²;
- the dataset in Annex 1.C has been agreed upon taking into account Article 357 of Commission Delegated Regulation 2015/35 and the [Guidelines on exchange of information on a systematic basis within colleges]. The college assesses the appropriateness of the set of information outlined in the [Guidelines on exchange of information on a systematic basis within colleges] with reference to Article 357 of Commission Delegated Regulation 2015/35. Where this set is not considered appropriate, the dataset in Annex 1.C specifies which additional information is relevant to be exchanged on a systematic basis or which information from this set should not be exchanged on a systematic basis, based on the nature, size and complexity of the group. The dataset in Annex 1.C is also part of the inbound information for the group supervisory review process. For third-country participants, the dataset is based on information which is comparable with that referred to in Article 357 of Commission Delegated Regulation 2015/35;
- additionally, where appropriate, ad-hoc information is exchanged between members and participants.

When a request for information from the group supervisor or other college members or participants does not require preliminary analysis, but only data, it will be responded within ten working days. When the request for information requires preliminary analysis, the deadline is extended to twenty working days.

8. Functioning of the college

In on-going supervision

The college meets face to face at least once a year. Any member or participant which participates in bilateral discussions within the college informs the college and shares any relevant information resulting from these discussions with the college.

Members and participants will be informed about meetings at least two months in advance of the meeting.

The draft agenda for the meeting/ teleconference will be sent to members and participants at least three weeks in advance of the planned meeting/ teleconference. The final agenda and all relevant documents will be sent to members and participants at least one week in advance of the meeting/ teleconference.

In time of crisis

The competent supervisory authorities are responsible for assessing whether a crisis situation is affecting the undertaking under their supervision.

In line with the definition in the emergency plan for the college, added as Annex 1.E to these arrangements, and the CEIOPS Guidelines on preparation for and management of a financial crisis³, an insurance undertaking in crisis can be defined as potentially

² Several flows of information within the college are possible and all the flows do not necessarily rely on the same dataset of information.

³ Guidelines on preparation for and management of a financial crisis in the Context of Supplementary Supervision as defined by the Insurance Groups Directive (98/78/EC) and the Memorandum of Understanding on Cooperation between the Financial Supervisory Authorities, Central Banks and Finance Ministries of the European Union on Cross-Border Financial Stability, CEIOPS-DOC-15/09, 26 March 2009.

being partially or totally unable to settle its claims and to pay to its policyholders their benefits.

For cooperation in case of a crisis, members and participants of the college shall follow the principles and procedures stipulated in the approved emergency plan.

Members and participants will cooperate closely, whenever necessary and in accordance with their national law, with other relevant authorities (e.g. EU institutions, central banks, Ministries of Finance) involved in the crisis management process.

8.1. General procedures for consultation and decision making

Members, and participants to the extent provided for in sub-paragraph 3 of this paragraph, follow the procedures listed below unless the process relates to the decision on the application for the group internal model as referred to under paragraph 8.5 below or to a matter specified in Union law.

For each procedure, the supervisory authorities concerned may be different depending on the issue.

Participants express their opinion as a contribution to the consultation and decision making process where required by the group supervisor at any stage of the process.

The group supervisor informs the other members and participants of the outcome of the consultation and decision making procedures.

Procedures for consultation

The procedure for consultation shall be as follows:

- send a written proposal with supporting reasons to the supervisory authorities concerned with a copy to the other supervisory authorities in order to ensure an efficient information exchange;
- the supervisory authorities concerned are allowed to respond within four weeks;
- where applicable, a written proposal is sent to the Munich Re Group by the group supervisor or to the individual reinsurance or insurance undertaking by the relevant national supervisory authority, allowing Munich Re Group or the individual reinsurance or insurance undertaking to respond within an agreed timeframe;
- a meeting is organised to discuss the relevant issues if deemed necessary by any supervisory authority concerned;
- the group supervisor communicates the outcome of the consultation process to the college in writing.

Procedure for the decision making process

The procedure for decision making process shall be as follows:

- the supervisory authorities concerned aim at reaching consensus on a decision to be made and where applicable the group supervisor proposes a voting procedure;
- where diverging views occur, supervisory authorities concerned explain their reasoning if necessary through written comments and foster the discussion with the other supervisory authorities;
- where applicable, and if all efforts to reach consensus are not successful, the matter can be brought to EIOPA for advice or mediation by the supervisory authorities concerned;

- the group supervisor communicates the final decision to the college in writing, stating the full reasoning and any significant diverging opinions in case of a majority decision or a decision which had to be taken only by the group supervisor.

When a consultation is organised during a college meeting or by written procedure, and the request has not been answered within twenty working days, the proposal contained in the request is considered as agreed. If a supervisory authority needs more time to answer the request, it will inform the group supervisor and a new timeframe will be agreed upon.

The college will document decisions in writing and record them accordingly

8.2. College work plan, sharing and delegation of tasks and specialised teams

The members discuss and agree in the college on the yearly college work plan following the procedure in paragraph 8.1⁴.

The college work plan coordinates the main types of supervisory activities including the key college meetings and major examinations and will be updated as soon as circumstances require. The college work plan will be coordinated by the group supervisor and reviewed annually. The group supervisor includes in the college work plan the relevant aspects of the group supervisory plan, including:

- a description of the main risks to which the group is exposed and which are being focused on, based on the outcome of the Group Risk Assessment Framework;
- a description of and rationale for the activities that the college will carry out based on the group supervisory plan;
- an identification of the relevant entities within the group and their supervisory authorities that the group supervisor is likely to seek input from.

The group supervisor takes into account the supervisory plans of the individual supervisors in order to coordinate the group and solo work plans where appropriate.

When members and participants share or delegate tasks, a clear sharing or delegation of tasks, including the fulfilment of the shared or delegated tasks and the timeframe in which the tasks are to be fulfilled, is agreed upon within the college in accordance with the EIOPA Guidelines on operational functioning of colleges of supervisors and according to the consultation and decision making process described in paragraph 8.1.

The college work plan reflects agreed sharing and delegations of tasks. The group supervisor should be informed of any sharing and delegation of tasks between the other members and participants. Members and participants which are not part of sharing or delegation of tasks should be adequately informed. Where specialised teams are created, members and participants which are not part of these teams are regularly informed of the developments by the group supervisor.

8.3. Joint on-site examinations

The college work plan includes a list of all relevant planned on-site examinations of entities that are part of Munich Re Group at individual and group level. For the purpose of preparing the college work plan, members and participants inform the group supervisor about any relevant planned on-site examinations in undertakings that are part of Munich Re Group. The group supervisor informs the other members and participants about any relevant planned on-site examinations in the participating insurance or reinsurance undertaking, the insurance holding company or the mixed financial holding company or in any other individual undertaking of the Munich Re Group.

⁴ According to Article 355(2)(d) of Commission Delegated Regulation 2015/35, the college work plan shall be revised at least annually.

Whenever a topic is identified as relevant for the supervision of the Munich Re Group (or several entities of the group situated in different jurisdictions) each member or participant can make a proposal for a joint supervisory activity and inform the group supervisor and competent individual supervisory authorities indicating the reason(s) for and scope of the joint supervisory activity. The group supervisor then notifies EIOPA as well as the other members and participants that may be affected by or interested in participating in the on-site examination or its outcome. Once the participating supervisors have been identified, they discuss and agree on the final scope, purpose, structure and allocation of tasks of the examination, including who will be leading the on-site examination⁵.

The number of supervisory authorities participating in joint supervisory activities is kept to an efficient size.

The group supervisor will be kept informed on the progress and findings of the joint on-site examination and ensures appropriate dissemination of information on the joint on-site examination.

8.4. Assessment of compliance of the group with requirements on solvency, risk concentration and intra-group transactions

When assessing the risk profile of the Munich Re Group, the systemic risk posed by the group and its undertakings will be taken into account. While assessing the risk profile of the group, market-wide risks, financial sector developments and vulnerabilities also have to be taken into account.

Munich Re Group will report intra-group transactions as decided upon by the group supervisor after consulting the other members and participants concerned and provided for in Annex 1.D.

Munich Re Group will report risk concentrations as decided upon by the group supervisor after consulting the other members and participants concerned and provided for in Annex 1.D.

8.5. Decision making process on the group internal model application and preparation of the joint decision

This part of the coordination arrangements aims to clarify the responsibilities of the group supervisor and the other supervisory authorities concerned when reaching a joint decision on the group internal model once the assessment of the application has been concluded.

The [Implementing Technical Standards on the joint decision process for group internal models] set out the process that the supervisory authorities concerned, as defined in these Implementing Technical Standards, have to follow in order to reach a joint decision on the group internal model. In particular in accordance with [Article 3(1) of the Implementing Technical Standards], the supervisory authorities concerned have to decide on the process to reach a joint decision, including timelines, main steps and deliverables.

The EIOPA Guidelines on the operational functioning of colleges of supervisors include further provisions that have to be followed by the supervisory authorities, in particular the setting up of the college work plan to be followed by the supervisory authorities during the approval process with the aim of reaching a decision.

⁵ See also Guideline 21 in EIOPA Guidelines on the operational functioning of colleges of supervisors for further procedures and communications.

1. According to [Article 4(3) of the Implementing Technical Standards], the group supervisor has to draft a proposal for a joint decision on the basis of the inputs received from the other supervisory authorities concerned.

These inputs consist of the following:

- (a) compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the Solvency Capital Requirement (hereinafter 'SCR') of the related undertaking they supervise (including the adequacy or inadequacy of the reflection by the group internal model of the risk profile of this related undertaking), and the rationale for this;
- (b) whether they would approve or reject the group internal model for the calculation of the SCR of the related undertaking they supervise.

The opinions referred to in [Article 4(6) of the Implementing Technical Standards] by the other supervisory authority concerned to the proposal of the group supervisor and their final views on the application as set out in [Article 4(7) of these Implementing Technical Standards] are related to the issues included in (a) and (b) above.

2. The group supervisor's contribution to the joint decision, to be included in its proposal for this decision, consists of the following:
 - (a) the compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the consolidated group SCR (including the adequacy or inadequacy of the reflection by the group internal model of the overall risk profile of the group), and the rationale for this;
 - (b) if applicable, compliance or non-compliance of the group internal model with the tests and standards and other relevant requirements in respect of the SCR of the parent undertaking or the related undertaking it supervises (including the adequacy or inadequacy of the reflection by the group internal model of the risk profile of the participating undertaking or the related undertaking), and the rationale for this;
 - (c) whether it would approve or reject the group internal model for the calculation of the consolidated group SCR;
 - (d) whether it would approve or reject the group internal model for the calculation of the SCR of the parent undertaking or the related undertaking it supervises.

8.6. Choice of the calculation method of the group SCR and determination of the proportional share

The group supervisor consults the other supervisory authorities concerned and the group before deciding whether the exclusive application of the accounting consolidation-based method would not be appropriate.

The group supervisor consults the other supervisory authorities in order to decide the proportional share to be taken into account in the cases laid down in Articles 221(2) (a), (b), (c) of the Solvency II Directive.

8.7. Communication on the imposition of a capital add-on under Article 232 of the Solvency II Directive

The group supervisor will communicate to the college any capital add-ons applied, amended or removed at group level, to ensure that the supervisory authorities of related insurance or reinsurance undertakings have an understanding of the risks at group level.

The supervisory authorities communicate to the group supervisor any capital add-ons they have applied, amended or removed to a related insurance or reinsurance undertaking.

8.8. Application for centralised risk management under Article 238 and 239 of the Solvency II Directive

Where a parent undertaking submits an application to subject any of its subsidiaries to the rules laid down in Articles 238 and 239 of the Solvency II Directive, the complete application shall be forwarded without delay by the supervisory authority that received that request to the other supervisory authorities within the college.

The group supervisor shall then propose a meeting to the supervisory authorities from which permission has been sought in order to discuss whether the permission should be granted and the terms and conditions that should apply to it.

The procedures for the consultation and decision making process described in paragraph 8.1 are to be applied among the supervisory authorities concerned.

The group supervisor assures that all other supervisory authorities within the college are kept informed.

9. Miscellaneous provisions

These coordination arrangements enter into force on April 1st 2015. It remains in force for an indefinite period of time unless and until there is no longer legal basis for the operation of the college.

For the supervisory authorities of Belgium, Croatia, Czech Republic, Estonia, Malta, Spain and Sweden, these arrangements enter into force as of the date the directive 2009/138/EC is implemented into their national laws.

However, any participant may give a written notice with a 30-day notice period to the group supervisor of its intention to terminate its cooperation under the coordination arrangements. The group supervisor informs the other members and participants in writing. Even after termination, information obtained under these coordination arrangements will be kept confidential as agreed in these coordination arrangements.

Without prejudice to paragraph 7, when a new member or participant joins the college, only the new supervisory authority will sign the existing coordination arrangements.

These coordination arrangements may be amended and further developed as necessary, for example to reflect significant changes of Munich Re Group (e.g. overall group structure, risk profile). It may also be amended, if needed, to remain compatible with national law of any member or participant, unless these changes are contrary to Union law. If the changes are not compatible with the third-country participants' national law, the third-country participant may decide to terminate its cooperation under the coordination arrangements in accordance with the conditions stated in this paragraph.

Changes or amendments of the Annexes 1.A to 1.D and 1.G are discussed and agreed upon in the college of supervisors. In this context the regular and necessary update of these annexes shall not affect the validity of the arrangement. All decisions will be included in the approved minutes of the College meetings. Results of the procedures for consultation with regards to Articles 213 to 217, 219 to 221, 227, 244 to 246, 250, 260

and 262 of the Solvency II Directive will also be included in the approved minutes of the College meetings.

In the case of an institutional change carried out in the relevant jurisdiction, implying the transfer of supervisory powers to another supervisory authority, the latter authority shall notify in writing the college about the entry in the rights and obligations of each predecessor stipulated by the relevant national law. Such notification shall be made within 30 days from the entry into force of the institutional change.

A summary/copy of the coordination arrangements will not be provided to the group.

The terms of these arrangements have been understood and accepted by the members and participants and signed by their duly authorised representatives.

Annexes

Annex 1.A: Members and participants of the college; involved parties to the arrangements

Annex 1.B: Group structure and main activities of the group

Annex 1.C: Data set to be systematically exchanged

Annex 1.D: Reporting of risk concentrations and intra-group transactions

Annex 1.E: Emergency plan template

Annex 1.F: List of information that may need to be exchanged within the college in a crisis situation

Annex 1.G: List of specialised teams

Signature(s)

for

Finanzmarktaufsicht/Austrian Financial Market Authority, Austria

26.03.2015

Date

P. Braumüller

Signature

Dr. Peter Braumüller, Managing Director

Name and Position

for

National Bank of Belgium, Belgium

26/3/15

Date

J-H

Signature

Jean Hilgers, Executive Director

Name and Position

for

Hrvatska agencija za nadzor financijskih usluga /Croatian Financial Services Supervisory Agency, Croatia

26.03.2015.

Date



Signature

Gordana Letica, Deputy President of the Board

for

Name and Position

Czech National Bank, Czech Republic

26-05-2015
Date

David Rozumek
Signature

David Rozumek, Executive
Name and Position

for

Finanstilsynet, Danish Financial Supervision Authority, Denmark

26/3 2015
Date

Per P. Bærtelsen
Signature

Per Plougmand Bærtelsen, Director
Name and Position

for

Estonian Financial Supervision Authority, Estonia

MARCH 26, 2015
Date

Kilvar Kessler
Signature

Kilvar Kessler,
Chairman of the Management Board
Name and Position

for

Autorité de contrôle prudentiel et de résolution, France

27/03/15 _____
Date Signature

Philippe Richard, Director

Name and Position

for

Bundesanstalt für Finanzdienstleistungsaufsicht/Federal Financial Supervisory Authority, Germany

26/03/2015 _____
Date Signature

Thomas Schmitz-Lippert, Executive Director of International Policy and Affairs

Name and Position

for

Bank of Greece, Greece

26/03/2015 _____
Date Signature

Ioanna Seliniotaki, Director of Private Insurance Supervision

Name and Position

for

Magyar Nemzeti Bank/ Central Bank of Hungary, Hungary

26/03/2015

Date

Signature



Mr. Koppány Nagy, Director of the Directorate Insurance, pension funds, financial enterprises and intermediaries supervision

Name and Position

for

Istituto per la Vigilanza sulle Assicurazioni/Italian Insurance Supervisory Authority, Italy

26/05/2015

Date

Signature

A handwritten signature in blue ink, which appears to be 'Alberto Corinti', is written over a horizontal line.

Alberto Corinti, Director

Name and Position

for

Bank of Lithuania, Lithuania

180326

Date

Signature

A handwritten signature in black ink, which appears to be 'Vytautas Valvonis', is written over a horizontal line.

Vytautas Valvonis, Executive Director

Name and Position


for

Commissariat aux Assurances, Luxembourg

Date

26th March 2015

Signature



Claude Wirion, Director

Name and Position

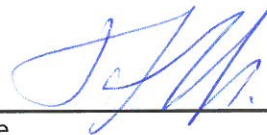
for

Malta Financial Services Authority, Malta

Date

26 March 2015

Signature



Dr Marisa Attard; Director, Insurance
and Pensions Supervision Unit

Name and Position

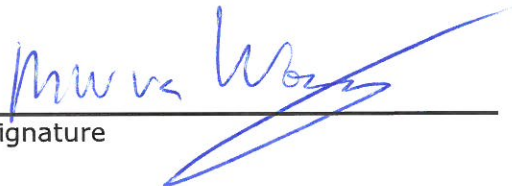
for

De Nederlandsche Bank, Netherlands

Date

26-3-2015

Signature




Thijs van Woerden, Division Director
Insurance Supervision

Name and Position

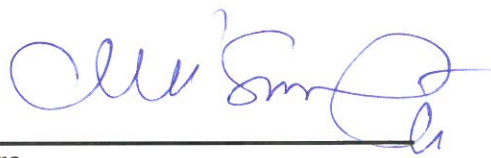
for

Polish Financial Supervision Authority/KNF, Poland

<u>26.03.2015</u> Date	 Signature
<p>KOMISJA NADZORU FINANSOWEGO Pl. Powstańców Warszawy 1 00-030 Warszawa (5)</p>	<p>Damian Jaworski, Director of Analyses and International Cooperation Department</p> <p>_____ Name and Position</p>

for

Financial Supervisory Authority/ASF, Romania

<u>26/03/2015</u> Date	 Signature
	<p>Mișu Negrițoiu, President</p> <p>_____ Name and Position</p>

for

Národná banka Slovenska, Slovakia

26.3.2019

Date

Signature

Júlia Čilíková, Director of Regulation
Department

Name and Position

for

Insurance Supervision Agency, Slovenia

26.3.2015

Date

Signature

Sergej Simoniti, Director

Name and Position

for

Dirección General de Seguros y Fondos de Pensiones (DGSFP), Spain

26.03-2015

Date

Signature

M^a Flavia Rodríguez-Ponga, General
Director

Name and Position

for

Finansinspektionen, Sweden

26/3-2015

Date



Signature

Martin Noréus,
Deputy Director General

Name and Position

for

Prudential Regulation Authority, Bank of England, United Kingdom

26/3/2015

Date



Signature

Andrew Bulley, Director – Life Insurance

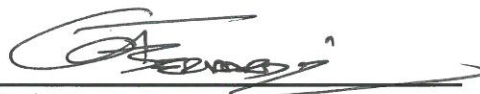
Name and Position

for

European Insurance and Occupational Pensions Authority, EIOPA

24 March 2015

Date



Signature

Gabriel Bernardino, Chairman

Name and Position

Annex 1.A - Members and participants of the college; involved parties to the arrangements

Members:

Finanzmarktaufsicht/Austrian Financial Market Authority, Austria

National Bank of Belgium, Belgium

Hrvatska agencija za nadzor financijskih usluga/Croatian Financial Services Supervisory Agency, Croatia

Czech National Bank, Czech Republic

Finanstilsynet (Danish FSA), Denmark

Estonian Financial Supervision Authority, Estonia

Autorité de contrôle prudentiel et de résolution, France

Federal Financial Supervisory Authority/BaFin, Germany

Bank of Greece, Greece

Magyar Nemzeti Bank/Central Bank of Hungary, Hungary

Italian Insurance Supervisory Authority, Italy

Bank of Lithuania, Lithuania

Commissariat aux Assurances, Luxembourg

Malta Financial Services Authority, Malta

De Nederlandsche Bank, Netherlands

Polish Financial Supervision Authority/KNF, Poland

Financial Supervisory Authority/ASF, Romania

Národná banka Slovenska, Slovakia

Insurance supervision Agency, Slovenia

Dirección General de Seguros y Fondos de Pensiones (DGSFP), Spain

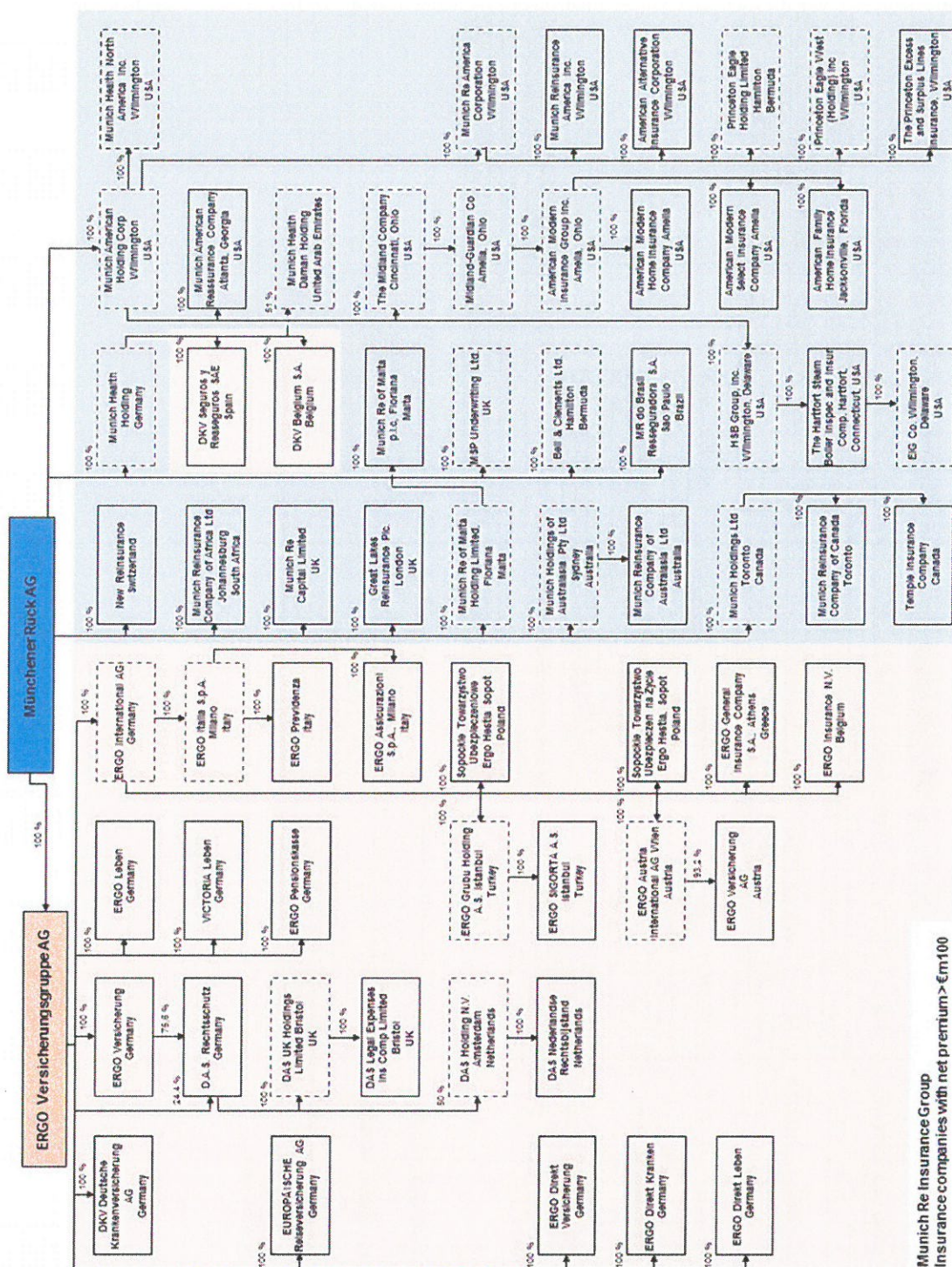
Finansinspektionen, Sweden

Prudential Regulation Authority, United Kingdom

European Insurance and Occupational Pensions Authority, EIOPA

Participants:

Annex 1.B: Group structure and main activities of the group



Munich Re Insurance Group
Insurance companies with net premium > €m100

Annex 1.C: Data set to be systematically exchanged

Munich Re College - Information exchange data set

Munich Re Group / Segments IFRS €m	Group	Δ% 1y	RT* Life	Δ% 1y	RT* P&C	Δ% 1y	Munch Health	Δ% 1y	PI* Life	Δ% 1y	PI Health	Δ% 1y	PI P&C	Δ% 1y	
Gross premiums written															
Technical input															
Reinsurance ceded															
Consolidated net result															
Munich Re Group / Segments IFRS €m	Group	Δ% 1y	RT* Life	Δ% 1y	RT* P&C	Δ% 1y	Munch Health	Δ% 1y	PI* Life	Δ% 1y	PI Health	Δ% 1y	PI P&C	Δ% 1y	
Gross premiums written															
Technical result															
Non-technical result															
Consolidated net result															
Munich Re Group		20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	20XX	
RoI %															
RS&C %															
Combined ratio RT P&C %															
Combined ratio PI P&C %															
Shareholders' equity incl. minor. €m															
Balance sheet total €m															
Rating (S&P)															
Asset allocation group		30 June 20XX	31 Dec 20XX	30 June 20XX	31 Dec 20XX	30 June 20XX	31 Dec 20XX	30 June 20XX	31 Dec 20XX	30 June 20XX	31 Dec 20XX	30 June 20XX	31 Dec 20XX	30 June 20XX	
Investments total €m															
Fixed income %															
Loans %															
Shares, equity funds %															
Land and buildings %															
Miscellaneous %															
Largest in-br group transactions by category		31 Mar 20XX		31 Dec 20XX		31 Mar 20XX		31 Dec 20XX		31 Mar 20XX		31 Dec 20XX		31 Mar 20XX	
Investments															
Reinsurance															
Guarantees															
Loans															
Service level agreements															
Financial position (comment)															
Major changes in group structure (comment)															
Regulatory requirements, risk management (comment)															
RoI = Return on Investment															
PI = Policyholder Insurance															

Munich Re College - Information exchange: Solo entity data (aggregated per country)

[illegible]

The proposed information to be exchanged shall be reviewed and agreed between members and participants by December 31th 2015 in order to take into account the final "Guidelines on exchange of information on a systematic basis within colleges". For 2015, the information to be exchanged are listed and agreed between members and participants in the 2015 Munich Re College work plan.

Annex 1.D: Reporting of risk concentrations and intra-group transactions

As long as Solvency I supervisory regime is in place College members and participants exchange information about intra group transactions as part of the presentations and discussions about the financial situation of the supervised entities during the College meetings. The individual undertaking supervisors may also report on exceptional intra-group transactions or risk concentrations by using the "comment"-field of the information exchange template. The group supervisor presents information on major risk concentrations in the College meetings. Information on intra-group transactions (largest transactions in each category) from group perspective is included in the information exchange sheet.

In Solvency II the Level 3-Guidelines will define thresholds for the reporting of intra-group transactions and risk concentration. These thresholds can be adapted to the needs of the College. Any decisions upon the thresholds by the College will be recorded in the approved minutes of the respective College meetings.

By December 31th 2015, the Munich Re College will define thresholds for the reporting of intra-group transactions and risk concentration by taking into consideration the demands and requirements of the College as well as future Level 3 Guidelines, if available. Any decisions upon the thresholds by the College will be recorded in the approved minutes of the respective College meetings

Annex 1.E - Emergency plan

Emergency plan for colleges of supervisors

College of supervisors	
Supervised group:	Group supervisor:
<i>Munich Re Group</i>	<i>BaFin, Germany</i>

Information Regarding this Document:

History of changes to the emergency plan				
Version number	Date of change	Responsible group supervisor	Supervisory Authority	Reason for change
1.0	30 Nov 2014	BaFin	BaFin	First version

Introduction

This emergency plan will support the management of an emerging crisis by the group supervisor and the college of supervisors. It specifically aims at:

- facilitating the exchange of confidential information on short notice within the college;
- creating transparency with regard to the group structure;
- securing a successful early crisis alert in order to maximise time for coordination and cooperation;
- securing effective and efficient information within the college and to the public in case undertakings that are part of the group encounter difficulties.

This emergency plan defines the means for crisis handling of the Munich Re Group. Furthermore it complements the general qualitative guidelines and instructions for handling emergency cases, which are already laid down in several EIOPA documents.

The content of this document shall ensure that every college member and participant has an overview of how the group is structured in order to better assess the cross-border implications of an (emerging) crisis. It will secure quick and confidential handling of information flows between members and participants or with the undertaking, on the basis of the updated contact list referred to in paragraph 1.1 and via predefined secure communication channels.

In an emergency situation a common understanding of the division of tasks regarding communication to the public of the measures taken, outcomes and current status information is crucial. This plan describes therefore a basic pattern which may be adapted to fit the special needs in an emergency situation.

1. Coordination and cooperation in emergency situations

Supervisory authorities

Contact persons for all the supervisory authorities involved in the supervision of this group, including their alternates, are identified in the Helsinki plus list. This list also includes contact details (see paragraph 5 of the coordination arrangement template and Annex 1.A thereof) of the above mentioned persons, including contact details for an emergency situation, if different.

The Helsinki plus list complements the EIOPA Members and Observers CRISIS Contact list⁶.

Emergency alert

The supervisory authority, which becomes aware of the emergence of a potentially serious financial disturbance or is aware of facts or events that may give rise to significant problems at the group or individual undertaking level, informs the group supervisor as soon as possible.

The group supervisor will immediately inform all impacted members and participants and EIOPA about the emergence of a potentially serious financial disturbance at group level or any facts or events that may give rise to significant problems for the group or any related undertakings.

⁶<https://eiopa.europa.eu/restricted-area/infohub/directories/members-observers-crisis-contactlist/index.html>

In the following cases an emergency alert should be given:

Emergency situation at the individual undertaking level:

- non-compliance or risk of non-compliance with the Minimum Capital Requirement;
- significant non-compliance or risk of significant non-compliance with the Solvency Capital Requirement;
- major violation of legal requirements, including governance requirements;
- risk of failure of a reinsurer (external or internal to the group);
- risk of insolvency;
- public investigation against the Administrative, Management and Supervisory Body of an undertaking (e.g. fraud);
- macro-economic and financial developments as well as insurance sector specific developments which may impact the undertaking's or group's financial soundness (e.g. contagion risk);
- breakdown of a crucial IT system;
- threat of exceptional major claims or major mis-selling.

Emergency situation at group level:

- non-compliance or risk of non-compliance with the minimum consolidated group Solvency Capital Requirement;
- significant non-compliance or risk of non-compliance with the group Solvency Capital Requirement;
- major violation of legal requirements, including governance requirements;
- unbalanced distribution of own funds: indicator for problems of an individual undertaking;
- liquidity problems caused by the holding structure;
- risk of insolvency of important undertakings that are part of the group;
- major downgrading of the rating of the parent undertaking or a significant undertaking that is part of the group where relevant;
- macro-economic and financial developments as well as insurance sector specific developments which may impact the financial soundness of the group (e.g. contagion risk);
- breakdown of a crucial IT system.

Crisis assessment

The group supervisor assesses the nature of the financial crisis and its implications in cooperation with the members and participants concerned and EIOPA in order to reach a common understanding of the crisis within the college as soon as possible.

The objective of the assessment phase is to assess the overall impact of the crisis, including systemic implications, and provide a basis for the decision of whether to intervene, and if so, how to intervene. Systemic implications may occur if an event, such as a failure of an undertaking to meet its obligations, triggers a chain reaction leading to loss of economic value and of confidence in the financial system that has significant adverse effects on the economy.

The assessment of the crisis shall be based on the common analytical framework for assessing systemic implications of a financial crisis established by the Memorandum of understanding on cooperation between the financial supervisory authorities, central banks and finance ministries of the European Union on cross-border financial stability (Brussels ECFIN/CEFCPE (2008) REP/53106 Rev)⁷ (hereinafter: 'Memorandum of understanding on cross-border financial stability').

An intensive and regular exchange of information between the group supervisor and the members and participants concerned is essential during the assessment of the crisis. In order to take into account confidentiality, information shall only be exchanged via secure communication channels.

Crisis management

It is the task of the group supervisor to plan and coordinate the supervisory activities in close cooperation with the members and participants concerned, coordinate the management of the situation and inform EIOPA about the activities and the progress made.

A cross-border systemic financial crisis within the meaning of the Memorandum of understanding on cross-border financial stability may require to take actions at the ministries level as well as the involvement of other parties. Crisis management in such cases may differ from the procedures laid down in this emergency plan. {Plans should provide clarity on who would be involved in managing a crisis.} Based on a common assessment of the crisis, the group supervisor and the supervisory members and participants concerned will analyse the need, scope and conditions for any supervisory actions to be taken towards the insurance group or any undertaking that is part of this group. Supervisory actions and information sharing should be coordinated and aligned within the college in order to ensure efficiency and avoid inconsistencies. Another area of useful college preparation would extend to maintaining a log of available powers, time constraints on action and the operation of Insurance Guarantee Schemes, if available.

External communication

The group supervisor coordinates the communication to the public at each stage of the crisis. Hereby, it ensures that the supervisory authorities concerned take into consideration the communication made to the public by the group supervisor.

Communication towards the public is handled in a coordinated fashion at all stages of the crisis, taking into account the possibility of exercising discretion regarding information that should (or should not) be disclosed in order to maintain market confidence.

The members and participants concerned prepare joint public statements even in the case where only one supervisory authority has to make such a statement, when it may have impact on other supervisory authorities concerned.

If it is necessary, in exceptional circumstances members and participants concerned may issue separate statements. However, they shall inform the group supervisor as soon as possible about the issuance of a public statement.

Communication between the supervisory authorities and the supervised undertakings

Communication at group and individual entity level is prepared and coordinated with all the impacted supervisory authorities. The group supervisor is responsible for communication with the participating insurance or reinsurance undertaking or the insurance holding company or the mixed financial holding company on the crisis situation regard-

⁷ <https://www.ecb.europa.eu/pub/pdf/other/mou-financialstability2008en.pdf>

ing possible supervisory actions, keeping the other relevant supervisory authorities informed on the communication with the group. The supervisors of the individual entities involved in the crisis communicate with these individual entities, keeping the group supervisor up to date of the communication. The group supervisor then informs the other involved supervisory authorities where relevant.

The group supervisor will distribute and receive confidential information in an emergency situation via its secure email infrastructure. This infrastructure should be tested regularly by the group supervisor, the other members and participants.

Specialised emergency team

In a crisis situation, the college can be organised to offer a combination of different levels of association of members and participants, depending on their specific situation⁸. The group supervisor may wish to establish a smaller supervisory team within the college for handling the emergency situation. This may be especially useful if only a part of the group is impacted. In case of a bigger crisis the group supervisor would coordinate the supervisory measures of supervisors of significant entities that are part of the group. The group supervisor informs the college of the establishment of such a team and ensures that the exchange of relevant and essential information within the college is not impaired.

Information to be exchanged in crisis situations

All college members and participants are able to produce on short notice the updated information included in Annex 1.F: List of information that may need to be exchanged in a crisis situation.

Control mechanism for the emergency plan

The group supervisor is allowed to test the functioning of this emergency plan once a year in order to constantly improve the process of emergency handling in the college. The results of this testing will be discussed within the college.

This emergency plan will be updated at least every 12 months. This includes the verification of all items of this document.

⁸ Principle 1 of the Colleges of Supervisors – 10 Common Principles, 27 January 2009, CEIOPS-SEC-54/08.

Annex 1.F – List of information that may need to be exchanged within the college in a crisis situation

GS = Group supervisor

IS = Individual undertaking supervisory authority

RSR = Relevant Supervisory Authority = relevant Supervisory Authority other than the insurance supervisory authority

	Type of information	Description	Source
Crisis information and impact assessment			
1	Impacted entities and supervisors thereof	The undertaking in crisis and undertakings with exposures to the undertaking in crisis or likely to be impacted through the possible contagion channels.	IS, GS
2	Description of the crisis	The cause of the problem which requires intervention of supervisory authorities. Is the crisis a generic crisis potentially affecting the financial system as a whole or is the crisis specific to the group and/or one of its undertakings?	IS, GS
3	Size of the undertaking(s)	Size of the undertaking(s) in crisis: total assets and premium income.	IS, GS
4	Significance of the impacted entity(ies)	Is the undertaking(s) significant for the group and/or material in the local market (see criteria in Guideline 2 of the Guidelines on the operational functioning of colleges of supervisors)?	IS, GS
5	Deficiency issues	Description of the failures that may have caused or may exacerbate the crisis (e.g. fraud, problems with IT systems, legal or regulatory issues).	IS, GS
6	Financial Market impact	Is the crisis affecting the financial markets? Holdings of shares, bonds etc. Market price data on the undertaking that is part of the group (including the parent undertaking). If the undertaking that is part of the group (including the parent undertaking) must sell part of its assets, may it lead to or strengthen a downward cycle in the financial markets (procyclicality)?	IS, GS
7	Systemic assessment results	Outcome of the assessment of the systemic nature of the financial crisis.	GS, IS
Actions and resolution measures			
8	Measures and recovery actions by the group	Measures and actions taken and planned by the undertaking/group, and its impact on the solvency and financial position.	GS, IS
9	Actions taken by supervisors	Description of the action, its purpose and effect.	RSR, GS, IS
10	External communication	Information on communication made without involving all supervisors.	RSR, IS, GS
11	Legal powers	Description of the powers of the supervisory authorities including restrictions, transfer of capital, and non-compliance with regulatory requirements.	RSR, IS, GS

12	Existing national safety net arrangements	State guarantees or insurance guarantee schemes, extent of coverage, level, source of funds.	GS, IS
13	Public disclosure requirements	Information of relevant public disclosure requirements applicable for the group other than the ones foreseen in the Solvency II Directive.	RSR, IS, GS
Business			
14	Ownership and legal and organisational structure	Developments/changes in the ownership structure and legal and organisational structure, including where applicable holdings in related undertakings.	SFCR, and RSR following pre-defined events, IS, GS
15	Material lines of businesses and material geographical areas	Description of the undertaking(s) material lines of businesses and material geographical areas where business is written.	SFCR, IS, GS
16	Recent mergers, takeovers and acquisitions	Information on implications on the undertaking's business, system of governance, risk profile and solvency and financial position.	RSR following pre-defined events, IS, GS
17	Changes in the business strategy	Reasons for the change or delay in implementing strategies of which supervisory authorities are aware of.	RSR following pre-defined events, IS, GS
18	Intra-group transactions (IGT)	Information on relevant operations and transactions within the group, with a special focus on very significant intra group transactions.	SFCR and RSR following pre-defined events, GS
Governance			
19	Significant governance failures	Information on significant governance failures if not already previously described, including information on the impact of the failure on the undertaking(s) and the action taken in response to it. Where applicable reference to crisis management and contingency plans.	RSR following pre-defined events, IS, GS
20	Outsourcing	Information on the outsourcing of any critical or important operational functions or activities and the jurisdiction in which the service providers of such functions or activities are located.	SFCR, GS, IS
21	ORSA	Information on eventual additional ORSA's on account of significant change in risk profile including proposed management actions considered necessary and planned capital measures.	RSR following pre-defined events, IS, GS

	Risk information		
22	New, emerging internal or external risks of a material nature	Details on emerging risks and information on their actual or potential impact as well as identified mitigation plans (whether planned or already in place).	RSR following pre-defined events, IS, GS
23	Prudent person principle	Concerns on the compliance with the prudent person principle (e.g. risk of a negative overall return).	RSR, IS, GS
24	Liquidity risk	Concerns on liquidity problems. Information on the liquidity position, the sources of liquidity and short term liabilities.	RSR, IS, GS
25	Risk sensitivity	Information on relevant stress tests and scenario analysis.	RSR, IS, GS
	Solvency and Financial Condition		
26	Balance sheet, own funds and capital requirements	Last reported templates on balance-sheet and own funds	Quantitative Reporting Templates, IS, GS
27	Changes in own funds levels, MCR, SCR, technical provisions and/or other balance sheet items	Amount and reason for the changes and consideration of any potential or actual consequence of those changes. In relation to technical provisions, information can include details on emergence of any future claims that have not been include in previous reported technical provisions.	RSR following pre-defined events, IS, GS
28	Availability of capital	A description of any item deducted from own funds and a brief description of any significant restriction affecting the availability and transferability of own funds within the undertaking or group. Capital ability to absorb the impact of the crisis. Group's ability to raise additional capital and an indication where it may be able to source this capital from.	SFCR and RSR, GS, IS
29	Allocation of capital and possibility of transferability	If available, how the capital is allocated within the group and discussion on the possibility of transferring the capital within the group (e.g. through intra-company loans, reinsurance dividends).	RSR: GS

Annex 1.G:

List of Specialised Teams:

Team of supervisory authorities concerned (Art. 231 Directive 2009/138/EC) with regard to Internal model application ("Core College"):
Current Members: Germany, Malta, Poland, UK

