

Solvency II Policy Issues: Summary of Objectives

	1. Technical Provisions: best estimate	2. Technical Provisions: risk margin	3. Own funds: quantitative limits for the SCR and MCR	4. Procyclicality: Pillar I I dampener	5. Supervisory Reporting: content, form and modalities	6. Public Disclosure: content, form and modalities	7. Treatment of holdings in participations and subsidiaries	8. SCR Standard Formula: equity risk - Pillar I dampener	9. SCR Standard Formula: loss-absorbing capacity of technical provisions	10. SCR Standard Formula: diversification effects	11. SCR Internal Model: integration of partial internal models	12. SCR Standard Formula: underwriting risk	13. SCR Internal Model: use test	14. SCR Internal Model: statistical quality standards	15. Capital add-ons	16. Actuarial function	17. Supervisory cooperation and coordination
Harmonise the calculation of technical provisions	✓	✓															
Introduce risk-sensitive harmonized solvency standards	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓			
Introduce proportionate requirements for small undertakings	✓	✓	✓		✓	✓		✓	✓	✓	✓			✓	✓		
Harmonise supervisory powers, methods and tools				✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	
Harmonise supervisory reporting					✓	✓											
Promote compatibility of prudential supervision of insurance and banking			✓	✓			✓	✓									✓
Promote compatibility of valuation and reporting rules with the international accounting standards elaborated by the IASB	✓	✓			✓	✓											
Promote compatibility of the prudential regime for EU insurers with the work of the IAIS and IAA			✓	✓			✓	✓	✓			✓			✓	✓	
Ensure efficient supervision of insurance groups and financial conglomerates					✓	✓	✓		✓	✓		✓			✓	✓	

