

**Insurance Groups  
Consultation Paper 25  
CEIOPS hearing  
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- **We support initiatives to better coordinate and streamline supervision of insurance groups**
- **Importance of level playing field for all market participants**
- **Legislation should not discriminate against entities domiciled in other jurisdictions**
- **Global insurance marketplace is enhanced by healthy competition**

### Challenges

- **Mobility of capital across legal entities and countries**
- **Assessment of diversification effects and group risk**
- **Developing cooperation and trust between supervisors**
- **Aligning supervision with group-wide risk management**
- **Regulatory arbitrage due to differences in solvency standards**
- **Ability of supervisors to enforce capital transfer to subsidiary needing capital**

### Clarification Needed

- How operations in jurisdictions outside Europe will be treated as far as group diversification credits
- How proposals will apply to groups headquartered in third countries
- Where solo supervisor applies higher capital requirements to local operation
- How equivalence of regulatory regimes will be determined
- How to ensure uniform approach to group supervision by different regulators

### Clarification Needed (cont)

- **Criteria for determining the country of lead supervisor**
- **How policyholders in different jurisdictions are to be treated in case of financial distress of a group**
- **How benefits of diversification are to be quantified**
- **If limited liability company in the group were to go bankrupt**
- **Quantitative and qualitative conditions on group-wide risk management practices**