

Guidelines for Coordination Committees

**in the Context of Supplementary
Supervision as Defined by the Insurance
Groups Directive (98/78/EC)**

February 2005

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1. Introduction

The directive on the supplementary supervision of insurance undertakings in an insurance group (Directive 98/78/EC, Insurance Groups Directive, IGD) lays down regulation on how Supervisory Authorities in EEA Member States shall cooperate in supplementary supervision of insurance groups with undertakings in more than one Member State. The aim of the IGD is to make insurance supervisors more equipped in assessing the solvency of an insurance undertaking which forms part of an insurance group.

The adoption of the IGD calls for a more frequent, higher level of cooperation between supervisors. In 2000 the Helsinki Protocol was established to address this issue and was signed by all Member State Supervisory Authorities. The Protocol encourages and facilitates practical cooperation between relevant Supervisory Authorities regarding supplementary supervision. It states that cooperation should be facilitated through the organization of *Coordination Committees* (Co-Cos). The Co-Cos should generally consist of staff members who are, within their Supervisory Authorities, responsible for the day-to-day supervision of the insurance group undertakings established in their state.

To facilitate the aims of the IGD and the Protocol, the Helsinki Protocol Working Group (HPWG)¹ was formed under the EU Conference of Insurance Supervisors (now CEIOPS) with the task of assessing how best to implement the objectives of the IGD on a practical level, while also examining other issues which arise as a result of the IGD implementation.

These Guidelines, prepared by the Insurance Groups Supervision Committee (IGSC, former HPWG), build upon the general framework laid down in the Helsinki Protocol. They will serve as a tool for those supervisors participating in the Co-Cos. The Guidelines are supplemented by the literature and reference list specified at the end of this document and should be considered in light of the views expressed in these documents, rather than in isolation.

The purpose of the Guidelines is to ensure consistency regarding supplementary supervision as well as increasing the level of efficiency and effectiveness of the work of the Co-Cos.

The Co-Co members are asked to pay notice to the Financial Conglomerates Directive (Directive 2002/87/EC) of 16 December 2002 on supplementary supervision of financial conglomerates. The Directive is not directly applicable to insurance groups, but may, for certain areas, indicate a best practice for supplementary supervision of groups.

¹ Now named Insurance Group Supervision Committee

2. Purpose of Coordination Committees

2.1. Members of the Co-Co

There is one Co-Co for each and every insurance group operating in more than one EEA-country. The Co-Co members are representatives of the Insurance Supervisory Authorities in the Member States in which the Group has undertakings, and would normally be responsible for the day-to-day supervision of the Group in their state.

2.2. Supplementary supervision

The Co-Co handles supervisory issues which are *supplementary* to the national supervision of home Member State legal entities. The supervisors acknowledge and are fully aware that the responsibility of exercising supplementary supervision will, initially, remain with the competent authorities of the Member State in which the insurance undertaking has received official authorization (*solo supervision*).

Insurance groups may consist of one or more subgroups. Supervisors within the EEA generally recognize that supplementary supervision of subgroups may be waived, when there is satisfactory supplementary supervision carried out at a group level. However, it is still within the powers and responsibilities of the affected Supervisory Authorities to carry out supplementary supervision at any subgroup level. A Supervisory Authority should check carefully whether subgroup supervision is essential in order not to place unnecessary burden on the group. It may e.g. deem such supervision necessary if the subgroup is in a stressed financial situation, or if the subgroup has a large market share in one country or region (affecting orderly financial markets). The Co-Co may avoid double reporting and reduce the burden on the Group by agreeing on one point for the collection of all information at all levels of the group (please see also Chapter 4.6. which makes a suggestion on such coordination regarding reporting of solvency calculations).

The IGSC would like to emphasize that the main purpose and the focus of the Co-Co is to be on the solvency and financial stability of the Group. Supplementary supervision should focus primarily on the capital issues, including solvency, intra-group transactions and exposures and internal control and risk management within the Group. In order to ensure this focus, the Co-Co is expected to have an overview of the strategic plans and events of the Group in question.

The Supervisory Authorities acknowledge however that supplementary supervision will not limit itself to specific issues addressed in the Directive but extend to the gathering and sharing of any information that may be of assistance in supplementary supervision. Many groups have complex legal or organizational structures and simply adding individual or country risks together will not always

show the complete risk profile for the whole group. The Co-Co approach provides a valuable opportunity to carry out some additional qualitative consolidated supervision at the level of the Group Holding Company.

To achieve the above-mentioned aims, the Co-Co is expected to exchange information and coordinate efforts in order to assess the total financial situation of the Group. In particular, it is expected that the Co-Co will

- anticipate and/or uncover possible financial problems which may arise within the insurance group;
- attempt to find solutions to these problems as quickly as possible;
- recognize financial engineering within the Group.

In order to fulfill its tasks, members of the Co-Co must achieve a shared appreciation of the risk carried by the Group. The success of the Co-Co will depend on enhanced communication between supervisors on the supervision of the given insurance group.

It is extremely important that Co-Cos work with up-to-date information, and should ensure that information is exchanged as frequently as necessary. Rather than face-to-face meetings, it may prove sufficient to exchange information by other channels, including the use of telephone conference, video conference, email and letter². The Co-Co may find it advantageous to arrange face-to-face meetings for more complex groups, for an initial meeting, or for extraordinary circumstances (e.g. crisis).

The IGD states that with regard to financial conglomerates, the Co-Co will cooperate with authorities responsible for the supervision of other financial sectors, in order to ensure more efficient solo-plus supervision.

2.3. Key Coordinator and Lead Supervisor

It may be useful for the Co-Co to agree on one or more supervisors acting as Key Coordinator(s), whose role will be to coordinate the activities necessary to carry out the supplementary supervision.

The Co-Co may decide that a Lead Supervisor shall have a key role in pulling together relevant information, analyzing it, and disseminating his or her conclusions to the other members of the Co-Co. As a general rule, such a Lead Supervisor can only be appointed if there is unanimity within the Co-Co. The experience so far is that no major problems have occurred in appointing such a Lead Supervisor. A failure to reach such an agreement should be brought

² Please refer to Chapter 2.4. regarding the handling of confidential information

forward to CEIOPS. If a Lead Supervisor is appointed, it should, for the sake of good order, also be chosen to act as Key Coordinator.

The Lead Supervisor role is not supposed to duplicate or replace home country supervision of solo entities. But the existence of the role may facilitate the evaluation of the overall strength of the Group. Simply aggregating issues from solo entities within a group may not give a wholly accurate picture of how individual entity or country risks work together to create, or mitigate, risks for the whole group. To the extent it is necessary for the Lead Supervisor to discuss with local entity management in other countries how those entities interact with the wider group, this should be coordinated by the local Supervisory Authority.

2.4. The handling of confidential information

The exchange of information between Supervisory Authorities is essential for the successful supplementary supervision across borders. Internet and email facilitate such exchange. However, these tools for communication may challenge our ability to ensure the security of confidential and sensitive information.

There is no uniform European law regulation on confidential information. It is still our duty as Supervisory Authorities to ensure the safe handling of confidential information. Each and every member of the Co-Co must therefore carefully consider the consequences of unintentional divulgence of information communicated by email or other means.

Supervisors participating in Co-Cos are encouraged to make arrangements to facilitate the use of encrypted emails.

Furthermore, the Co-Co members should be aware that different Member States may have different regulation with regard to what information should be considered confidential (e.g. some Member States may enclose solvency requirements, while others do not).

3. Preparation for meetings

Thorough preparation is essential in order to accomplish relevant and fruitful discussions and conclusions.

Prior to the meeting, the Lead Supervisor/Key Coordinator should set out a clear statement of the expected outcomes of the meeting and send this for comment to all participants. An agenda of the meeting, sent out 2-3 weeks in advance, should clearly state which issues are going to be discussed, why these items are being discussed and what will be expected from the other members during the discussion (e.g. roundtable). Minutes/a summary of the last meeting should be

agreed upon few weeks after the meeting, to ensure that all points raised have been followed up and addressed.

Brief discussion notes for the more technical agenda items³ should be distributed prior to the meeting. Such discussion notes may prevent language problems and ease preparation by each member, thereby improving the level of discussion.

Copies of presentations being given at the Co-Co meeting should be circulated to delegates before the meeting in order to facilitate questions and discussions after the presentation.

Each Co-Co should decide its own agenda, in advance of the meeting, taking into account the specific circumstances of the group concerned. However, as a minimum, it is suggested that the Co-Co needs to have an understanding of the issues listed below, which are discussed in more detail in the subsequent chapter ("Content of the meeting"):

- Structure and strategy of the Group;
- Internal control mechanisms and risk management processes of the Group;
- Capital issues (availability, allocation, limitations on transferability);
- Adjusted solvency calculations for the Group;
- Intra Group Transactions and exposure.

In some cases it may be appropriate to contact the insurance group in advance of the Co-Co meeting, in order to obtain information which will aid discussion. This can be done for example through a questionnaire. If a face-to-face meeting is arranged, it may also be appropriate to invite the Group to contribute in the meeting. An invitation to an insurance group to contribute in the meeting should be forwarded in due time to the insurance group (attn. head office or board of directors), including an agenda for the meeting, indicating to which topic(s) the Group is expected to contribute.

However, please note that supervisors should always have a separate and closed session for internal discussions, without the insurance group being present. A presentation by the insurance group ought not to occupy most of the meeting.

Language may be a practical interference in the smooth cooperation and exchange of information within the Co-Co. For example, reports or other information from the insurance group which are relevant to all Co-Co members may be submitted in a language not understood by all Co-Co members. The Key-

³ Please see the following chapters for suggested information to be included on for example intra-group transactions and solvency calculations.

Coordinator/Lead Supervisor should endeavour to ensure that reports or other information is submitted in, or translated to, a language understood by all members in the Co-Co of that insurance group.

If the insurance group in question is part of a financial conglomerate, the Co-Co must consider how it is relevant to establish cooperation with Supervisory Authorities of the other financial sectors.

4. Content of the meeting

4.1. Agreements within the Co-Co

The Co-Co may wish to lay down any arrangements on supplementary supervision in written multilateral agreements, which should address both regular and emergency situations, including dealing with potential conflicts of interest. Of further use may be the agreement of a working plan, indicating frequency and form of meetings, how to share information on a continuous basis, etc.

4.2. Crisis situations

An insurance undertaking in crisis can be defined as potentially being partially or totally unable to settle its claims and to pay to its policy holders their benefits.

The handling in crisis situations is a delicate issue, and trust within the Co-Co is a key word. Conflicts of interests between members of the Co-Co may arise, particularly in such situations.

A crisis situation may be identified for an undertaking within an insurance group by one Supervisory Authority. The supervisor responsible for the "solo" supervision of the insurance undertaking shall take the appropriate measures and inform the other members of the Co-Co on a timely basis, and if possible beforehand of the measures taken. If necessary, a crisis meeting of the Co-Co can be arranged in order to coordinate the measures taken and evaluate the effects of such action within the group itself.

To avoid these situations as far as possible and to be fully prepared for any action that may be required, the Co-Co should analyse beforehand any crisis situation that may arise and any potential conflicts of interest. Furthermore, the Co-Co should agree on a specific emergency plan, including cooperation and coordination in these kinds of situations. The emergency plan should be based on the specific risks of the insurance group. It may be natural for the Co-Co to agree that crisis situations regarding an insurance group should always involve the top level of the Supervisory Authorities.

In a crisis situation some of the available information on the insurance group could be commercially or market sensitive. The Co-Co should consider alternative forms of communication, avoiding use of email transmission.

The Co-Cos are encouraged to study the Brouwer Report on financial crisis management⁴ in order to plan and execute crisis management.

4.3. The insurance group

- Mapping of the insurance group, including information on recent mergers, acquisitions, closures, etc;
- General strategy of the insurance group.

4.4. Internal control mechanisms and risk management processes

The IGD (Art. 5) requires insurance undertakings to have in place adequate internal control systems. The Financial Conglomerates Directive (Art. 9) is more comprehensive, and the Co-Co is encouraged to study the requirements for financial conglomerates and include at Group level, where appropriate, supervision related to risk management processes and internal control⁵.

CEIOPS has issued a Document on “Internal Control for Insurance Undertakings” (December 2003)⁶ that may provide useful information for supervisors when assessing the internal control systems implemented by the insurance undertakings or insurance groups.

The internal control and risk management frameworks of groups are likely to vary considerably particularly in relation to the amount of local management of risk in solo entities as opposed to group management of the risk. Experience suggests that failure of group management to have a complete perspective on the risks that could arise from operations in countries other than the country in which it is based, can have significant negative repercussions.

The Co-Co may therefore decide to devote some time on the internal control and risk management systems the insurance group has implemented, and how they seem to work. To do so, the Lead Supervisor may have a general top-down approach, supplemented with the input from solo supervision from the other members of the Co-Co, as solo supervision may have revealed deficiencies (or adaptability) of the system used at the level of the individual undertakings.

⁴ Report on Financial Crisis Management, EFC/ECFIN/251/01-EN-Final

⁵ Please refer also to the Joint Forum papers on risk management practices (see references at end of these Guidelines).

⁶ See www.ceiops.org (Publications – Reports)

It is recommended that within the internal control and risk management framework, the Co-Co should look at the specific group-relevant risks in more detail, including for example the reinsurance program, distribution channels used in the different countries, the investment policies applied or the extent to which internal audit follows an audit plan applicable at group level. The Co-Co should furthermore be looking at how the management information systems contribute in giving the management and the board a reliable and global view of the real situation of the group as a whole. The Co-Co should also be reassured that clear lines of responsibilities should exist in the different areas and entities within the group.

To ensure an efficient process, the papers submitted to the Co-Co members ahead of a meeting should include the Lead Supervisor's assessment of the overall standard of corporate governance within the Group. An assessment should take into account the conclusions of the CEIOPS-paper referred to above. In order to carry out the assessment, the Lead Supervisor may need information about the activities and strategies of solo entities that would not normally be necessary for solo supervision. This might, for instance, include a discussion of how the solo entity interacts with Group Head Office or the extent to which Group Head Office carry out work in the solo entity for wider Group management purposes. A Lead Supervisor and relevant solo supervisor should agree what additional information is required and how it should be collected. Lead and solo supervisors are encouraged to collaborate in the gathering and assessment of the information as far as possible.

The Co-Co may consider it to be appropriate to ask the insurance group itself to give a presentation on its internal control, risk assessment and corporate governance arrangements in general to the Co-Co.

4.5. Capital⁷

The Co-Co should consider different aspects of the capital available to the Group as a whole and to the different undertakings within the Group. To assist the Co-Co, please find below a list of questions which may be a basis for further discussion.

- Is the overall capital of the Group of adequate quality (the quantity issue will be addressed in Chapter 4.6.). Or is it perhaps over-reliant on debt or hybrid capital?
- Does the Group have the ability to raise additional capital, and where might it be able to source this from? Even if it may be delegated to the Lead Supervisor to prepare input to this question, this is an area where the Lead Supervisor and local supervisor may work more effectively

⁷ “Capital” is in these guidelines to be understood as “capital and all eligible elements”, and thereby including also own funds of the mutual insurance company.

together, as the Lead Supervisor will know the Group appetite for capital and the solo supervisor will know the possibilities for raising it.

- How does the Group allocate capital around the Group?
- Is it possible to transfer capital around the Group (e.g. through intra-company loans, reinsurances, dividends etc) and how aware are local supervisors of the possibility that this might limit the capital available in future to their undertaking (again an area where local supervisors can work effectively with a Lead Supervisor to mutual benefit).

4.6. Solvency

To avoid "double gearing" or "counting" of solvency capital within an insurance group, the IGD requires the reporting of group adjusted solvency calculations. The Member States shall, according to the IGD, provide that the calculation is carried out on behalf of all undertakings belonging to an insurance group by the parent company, and according to one of the three methods approved. The IGD also allows that each regulator can request the same calculation for entities under their direct supervision, but any unnecessary bureaucratic burden will be avoided.

The Co-Co should be aware that the IGD allows Member States to waive calculation of the group adjusted solvency of an insurance undertaking, if national legislation so provides. Such a waiver can be given if the calculation of group adjusted solvency is exercised in another Member State for the insurance group to which the undertaking belongs. To facilitate the avoidance of double-reporting by the insurance group, the Co-Co should coordinate/map the reporting requirements of each Member State participating in the Co-Co and hence agree from which undertakings within the insurance group an Adjusted Solvency Margin should be required. In principle, the method used will be the compulsory one in the country where the head office is located.⁸

All supervisors may of course, request additional information from the Group and/or from individual entities under their direct supervision. In order to ease burden of reporting, the request for information regarding the Group should be coordinated through the Lead Supervisor/Key Coordinator, while information requested from one supervisor regarding an entity under its direct supervision may be handled by that supervisor.

To aid both the insurance groups themselves and the Co-Cos, the IGSC recommends the following:

The ultimate parent of the Group could present a submission, which would follow a specified format, to the Lead Supervisor/Key Coordinator who would, in turn, forward this information to all members of the Co-Co. This means that all

⁸ May also include calculations by other methods or on sub-levels where required by other national authorities.

supervisors receive the same information thus facilitating discussion and conclusions of the Co-Co on the Group.

- The Group Adjusted Solvency Margin could be calculated by the ultimate parent of the Group. The ultimate parent will have full access to all necessary information required to complete the Group Adjusted Solvency Margin at all times.
- It would be stated in both percentage and financial terms.
- The method of calculation must be clearly stated. For convenience, the ultimate parent would calculate the Group Adjusted Solvency Margin according to the method chosen by the Member State in which the ultimate parent is located, that is, the Member State of the Lead Supervisor. It must be stated which of the three methods are used.
- There would follow an exact calculation of the Adjusted Solvency Margin (in list format) stating:
 - the items used and
 - the financial amount of that item which related to the Group Adjusted Solvency Margin calculation.

The reason for this is that certain items may be allowed under the solvency margin rules of some countries and not by others, e.g. future profits, hence full disclosure of items and amounts relating must be made.
- If a waiver is granted by the Lead Supervisor, this should be stated by the ultimate parent, along with
 - the reason for the waiver,
 - whether it is a short or long term state of affairs,
 - the corrective measures being put in place and
 - the item and amount of said item which is contributing to the Group Adjusted Solvency Margin.
- The submission to the Lead Supervisor/Key-Coordinator would also include any changes in the Group structure, such as new subsidiaries, selling of companies, companies in run-off, joint ventures and an updated Group map.
- It should be signed by the Management/Board of Directors of the ultimate parent company of the insurance group.
- Each supervisor could state the solvency % of the individual entities under their supervision for the past three years. This would not necessarily involve a presentation, merely a figure. The idea would be to monitor trends within the Group and its respective entities. It would also serve to highlight entities showing financial solvency weakness, both on a once-off and continuous level. It would also help facilitate a discussion of the location of capital within the Group and any restrictions on its transferability.

4.7. Intra Group Transactions

Art. 8 of the IGD stipulates that Member States shall provide that supervisors exercise general supervision over transactions between an insurance undertaking and participants of the insurance group. If it appears that the solvency of the insurance undertaking is, or may be, jeopardized, the supervisor shall take appropriate measures at the level of the insurance undertaking. Therefore, a particular attention must be paid to problems outlined below.

Intra Group Transactions (IGTs) concern in particular:

- Loans;
- Guarantees and off-balance-sheet transactions;
- Elements eligible for the solvency margin;
- Investments;
- Reinsurance operations;
- Agreements to share costs.

As such they often provide valuable information on how capital resources are moved around the Group.

IGTs and the resulting level of exposure may constitute a risk to an entity belonging to a group, due to the risk of contagion and because the management of undertakings within a group may lack sufficient autonomy to protect policyholder losses.

Where all entities of an insurance group only operate in the domestic market, supervision is the responsibility of the home Member State, which includes receipt of information relating to IGTs.

Entities within multinational insurance groups (i.e. where entities within a Group operate across various Member States) may make transactions within the group that effect the solvency of entities situated in other Member States. As a consequence of this, it is paramount that the Co-Co focuses on IGTs on a high level in the group.

The extent to which solo undertakings can act independently of the group, only in accordance with group instructions or somewhere between these extremes, will vary from group to group. Also here, discussions with both group and local management may be relevant in order for a Lead Supervisor to make a proper risk assessment.

Interconnection within a group is important because it will show the potential for contagion if problems arise in one or more parts of the Group. Most Co-Cos will have access to a Group structure chart showing the ownership linkages between the different members of the Group. In many instances it may be possible to map also into the main IGTs. This will give an, at glance, diagrammatic analysis of the interconnection of the Group and enable the Co-Co to more quickly reach agreement on where the key areas of vulnerability are. This will help facilitate discussion of how to address those vulnerabilities. It will also help the Co-Co to reach a conclusion about how easy it is to understand the Group corporate structure. An example of such a diagram is enclosed in Appendix 1.

High volumes of transactions of negligible financial amounts or with the same counterparty can also constitute a risk and therefore prove to be worthy of note. Furthermore unusual transactions and transactions which are not at arms length or on a cost basis may become evident. The selling or buying of Group companies, or parts thereof, the selling of significant parts of the portfolio and transactions related to tax management are examples of unusual transactions.

The IGD refers to the reporting of '*significant*' transactions. There are differences regarding the precise meaning of 'significant' in national legislation of Member States, and furthermore 'significant' will vary from one group to another. For the supervisors and the Co-Co it can be very helpful to know what management of the undertakings or the Group has determined as being 'significant'. Ultimately, the determination of which transactions are significant for the Group will be the responsibility of the Co-Co, taking into account the specific risk profile of that Group.

Examination of IGTs in the context of supplementary supervision depends upon sharing and exchanging information among supervisors if threats to solvency at insurance-group level are to be identified. Monitoring of IGTs can highlight financial engineering within a Group as well as drawing attention to any deterioration of solvency margins of entities within the Group – even if this deterioration only applies for a short length of time. The examination of IGTs can be a useful tool for supervisors if the appropriate information is gathered and examined as individual transactions and trends arising from transactions can be revealing.

The structure and interconnection of the Group should be discussed in the light of the potential risks resulting from transactions and the resulting level of exposures. These risks may include conflicts of interest and/or contagion leading to the solvency of undertakings and hence the interests of the policyholders, being jeopardized.

A thorough understanding of the specific potential risks of the Group will enable the Co-Co to comprehensively discuss the level of supervision needed to monitor these risks and to decide on the information needed to fulfill its task.

Attention should be given to how entities within the Group control their own IGTs. The following can be examined in conjunction with the Group Map (see point 4.3.) and may identify paths of major IGTs and levels of connectivity among specific entities within the Group:

- The number of IGTs and the amount of each transaction or sum of specific transactions;
- The reason for the transaction;
- The terms of the transaction (loans, etc);
- Trends should be noted – e.g – are IGTs more frequent at particular times of the year, or between particular entities? How many loans may a company have or how much of the loan must be repaid before further loans are refused?
- Concerns raised by members on IGT-issues resulting from “solo supervision” should be discussed;
- Measures taken by the individual competent authorities towards an undertaking of the insurance group regarding IGTs should be discussed and, where appropriate, coordinated;
- Whether the extent of IGTs is so vast that there may be reason to believe that there is a management problem.

IGTs may also be an issue for bilateral exchange of information to supplement the solo-supervisor.

5. Tools available to Co-Cos

Member States have different approaches to supervision and use different tools and methods for supervision. The Co-Co may consider any tool it may find appropriate to enhance the supplementary supervision. The Helsinki Protocol itself is a proper reference as a tool for the Co-Co. Below are examples of other tools which the Co-Co may use for its supplementary supervision of an insurance group. Some tools may be relevant to use regularly, while other tools will be considered as strong measures and may be relevant to use only in particularly stressed situations:

- Copies of the latest board minutes may be requested from the companies within the Group and/or the ultimate parent of the Group before the Co-Co meeting;
- Latest report performed by internal audit may be requested from the company before the Co-Co meeting;
- Meeting with top management of the Group;
- Risk assessment models developed by supervisors;

- Exchange within the Co-Co of the national reporting of significant IGTs;
- Brief mapping of different legislation on specific issues may be carried out before a Co-Co meeting;
- Communication with external auditor (e.g. regarding IGTs);
- Insurance Groups Matrix/Contact List. The secretariat of CEIOPS keeps this updated matrix of all relevant EEA insurance groups and members of the corresponding Co-Cos.
- Other references (not to be regarded as an exhaustive list of relevant papers)
 - Insurance Groups Directive;
 - Financial Conglomerates Directive;
 - Helsinki Protocol, 11 May 2000 (DT/NL/194/00), with later amendments (see CEIOPS website)
 - EU Economic and Financial Committee (EFC/ECFIN/251/01-Final) *“Report on Financial Crisis Management” (“Brower-Report”)*;
 - Joint Forum (doc. JF/02/17) *“Corporate Governance and the Use of the Audit and Actuarial Functions for Supervisory Purposes, Cross-Sectoral Comparison”*;
 - Joint Forum - *“Risk Management Practices and Regulatory Capital”* (November 2001);
 - CEIOPS - Internal Control for Insurance Undertakings, February 2004 (see CEIOPS website);
 - For definitions of technical terms, please see the above-mentioned directives.

Annexes

Annex 1 – Example of Group structure chart

Annex 2 – Flow chart – supplementary supervision