

## insurance - legal changes published in December 2020

**Financial Supervisory Authority Norm no. 46/2020 for amending and supplementing the Financial Supervisory Authority Norm no. 21/2016 on the reports regarding the insurance and / or reinsurance activity**, published in the Official Gazette, Part I no. 1304 as of December 29, 2020, the Annexes published in the Official Gazette, Part I, no. 1304 bis, in force as of January 1, 2021.

The normative act regulates certain requirements regarding the periodic supervisory reports specific to the Solvency II regime and the related terms, as well as the implementation of additional periodic reports to support the supervisory process carried out by the authority, including the objective of ensuring a functional and efficient liquidity risk management system.

The most important change concerns the introduction of the additional liquidity reporting and the amendment of the provisions regarding the determination of the liquidity indicator. Insurance companies must hold liquid assets above the level of short-term liabilities or above the level of the gross damage reserve. The first reporting of this indicator will be submitted for the reference date 31.03.2021. If the liquidity indicator is non-compliant, together with this report, the company submits a plan with concrete measures and deadlines in order to restore it by 30.06.2021 at the latest, considered as the reference date.

The normative act introduces new forms of additional reporting (Questionnaire on gross indemnities paid by categories of medical services and providers of medical services; Data on employees and individuals with a mandate agreement; Intragroup transactions; Life insurance activity with exclusive protection component ( death insurance for any reason); Assignments / Receipts in reinsurance for the activity of general and life insurance) and brings amendments or clarifications to certain existing forms.