

## Annex 4

### **Actuarial Certificate in relation to article 90 of the Law on Insurance and Reinsurance Business and other Related Issues of 2016 (“the Law”)**

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1. The Certifying Actuary should state:
  - the effective date of the valuation;
  - the amount of the technical provisions held, showing separate amounts for life and non-life provisions, and showing separately the gross provisions, the amounts recoverable from reinsurance contracts and special purpose vehicles, and the resulting net provisions;
  - the amount of any technical provisions calculated as a whole, rather than as a best estimate and risk margin, under Article 79(3) of the Law;
  - the amount of any technical provisions subject to:
    - a matching adjustment under Article 81 of the Law;
    - a volatility adjustment, under Article 83 of the Law;
    - the transitional measure on the risk-free interest rates, under Article 423 of the Law;
    - the transitional measure on technical provisions, under Article 424 of the Law.
2. The Certifying Actuary should state (if it is the case, and subject to any exceptions or limitations as set out in section 5 below) that he or she has:
  - been provided with adequate access to the undertaking’s systems, processes, data, methods, assumptions and reports sufficient for the purposes of the certificate;
  - been provided with adequate additional information, clarification, explanation or justification, as requested from the undertaking, that was necessary for the purposes of the certificate.
3. The Certifying Actuary should state whether, in his opinion:
  - the level of technical provisions held at the valuation date was appropriate, and consistent with the amount the undertaking would have had to pay to transfer the insurance and reinsurance obligations to another insurance or reinsurance undertaking, in accordance with Article 78(2) of the Law;
  - the calculation of technical provisions made use of, and was consistent with, information provided by the financial markets and generally available data on underwriting risks (market consistency), in accordance with Article 78(3) of the Law;

- the technical provisions were calculated in a prudent, reliable and objective manner, in accordance with Article 78(4) of the Law.

4. The Certifying Actuary should state whether, in his opinion:

- the technical provisions were calculated using methods and assumptions that are in accordance with Articles 78 to 92 of the Law, and Articles 17 to 61 of the Commission Delegated Regulation EU 2015/35 ("the Regulation");
- where the technical provisions were calculated as the sum of the best estimate and the risk margin, with each component having been calculated separately, the best estimate was calculated in accordance with Article 79(1) of the Law and in particular:
  - was based on up-to-date and credible data and realistic assumptions, in accordance with Article 79(1)(b) of the Law and Articles 22 to 27 of the Regulation;
  - took account of all relevant cash-flows, in accordance with Articles 79(1)(c), 84 and 85 of the Law and Articles 28 to 33 of the Regulation;
  - was calculated using adequate, applicable and relevant actuarial and statistical methods, in accordance with Article 79(1)(b) of the Law and Articles 34 to 36 of the Regulation;
- where the technical provisions were calculated as the sum of the best estimate and the risk margin, the risk margin represents the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over their lifetime, in accordance with Article 79(4) of the Law and Articles 37 to 39 of the Regulation;
- for any technical provisions calculated as a whole and not separately as the sum of the best estimate and the risk margin, the valuation was determined on the basis of the market value of financial instruments for which a reliable market value was observable, and which replicated reliably the cash-flows associated with the relevant insurance and reinsurance obligations, in accordance with Article 79(3) of the Law and Article 40 of the Regulation;
- the amounts recoverable from reinsurance contracts and special purpose vehicles were calculated separately from the gross technical provisions either directly or indirectly, and allowed for timing differences and expected losses due to default of the counterparty, in accordance with Article 87 of the Law and Articles 41 to 42 of the Regulation;
- the insurance and reinsurance obligations have been segmented into homogeneous risk groups and as a minimum by line of business, in accordance with article 86 of the Law and 55 of the Regulation;
- the methods used, and in particular any simplifications, were proportionate to the nature, scale and complexity of the risks underlying the insurance and reinsurance obligations, and in accordance with Articles 56 to 61 of the Regulation;
- the data used was appropriate, complete and accurate, in accordance with Article 88(1) of the Law and Article 19 of the Regulation;

- where any data used did not meet the requirements of Article 88(1) of the Law or Article 19 of the Commission Delegated Regulation EU 2015/35, the data limitations were documented in accordance with Article 20 of the Commission Delegated Regulation EU 2015/35, and appropriate approximations were used, in accordance with Article 88(2) of the Law and Article 21 of the Regulation;
  - for any technical provisions subject to a matching adjustment, a volatility adjustment, the transitional measure on risk-free rates or the transitional measure on technical provisions, as identified in section 1 above:
    - supervisory approval has been obtained, and the date approval was granted should be stated;
    - the adjustments were calculated in accordance with the relevant Articles 81, 82, 83, 423 and 424 of the Law, and Articles 49 to 54 of the Regulation, as appropriate;
  - the undertaking has processes and procedures in place to validate the calculation of technical provisions, by comparison against experience and at least once a year and where the data, methods and assumptions on which the calculation of technical provisions is based may no longer be appropriate, in accordance with Article 89(1) of the Law and Article 264 of the Regulation;
  - the undertaking has documented the collection of data and analysis of its quality, the choice of assumptions used, the selection and application of actuarial and statistical methods, and the validation of technical provisions, in accordance with Article 265 of the Regulation;
  - the actuarial function has submitted a report on the calculation of the technical provisions to the Board of Directors of the undertaking, including at least the information set out in Article 272(1),(2) and (5) of the Regulation.
5. The Certifying Actuary should describe in detail any exceptions, qualifications or limitations required to the statements made in sections 2, 3 and 4 above, explaining how such deficiencies were dealt with, and stating with reasons whether the overall level of technical provisions was still considered appropriate, in line with the statements made in section 3 above.