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Pravna podrška pregovorima

Terms of Reference (ToR) for a Short-Term assignment

Technical assistance requested:	One (1) Senior Non-Key Expert in the area of Business of Insurance and Reinsurance (Solvency II)
Project Title:	Policy and Legal Advice Centre (PLAC II), Serbia
Ref:	EuropeAid/137065/DH/SER/RS
Service Contract No.:	(CRIS) 2016/375-724
Main beneficiary:	The European Integration Office of the Republic of Serbia and the Negotiating Team
Target Beneficiaries:	National Bank of Serbia
Content of the assignment:	Preparations for quantitative impact study of Solvency II requirements on the insurance sector in the Republic of Serbia in the process of transposition of the Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the Taking-up and Pursuit of the Business of Insurance and Reinsurance (Solvency II)
Budget Line / Expert Category:	Senior Non-Key Expert
Duration of the assignment:	20 working days, spent during several missions in the period from April - September 2017

1. Relevant background information

Background information in relation to PLAC II project:

The scope of PLAC II project is to provide support to relevant national institutions in charge of alignment of national legal acts with the EU acquis and to contribute to further building of capacities of relevant national structures for successful carrying out of accession negotiations.

The PLAC II project should achieve two results:

RESULT 1 - Enhanced compatibility of national legislation with EU legislation and its effective implementation,

RESULT 2 - Enhanced capacities of the relevant national structures for successful carrying out of accession negotiations.

In general, the project aims at fostering the process of accession negotiations of Serbia by supporting the effective alignment of national legislation with the acquis and its implementation and by further building the capacities of involved carriers of the EU integration process in Serbia. After completion of screening process in 2015, Serbian public administration has entered into much more demanding and obliging exercise of accession negotiations, whereby each step and every decision should result in approaching actual membership in the EU. For this scenario to happen in accordance with planned dynamics, preparedness, adequate institutional capacity of public administration with highly competent staff is of crucial importance. In the core period of the negotiations, PLAC II Project shall support domestic line institutions and the negotiating structures both in performance of quality operational work in relation to harmonisation process and in the effective coordination during various stages and phases in the process for different negotiation chapters.



Background information in relation to Chapter 9 – Financial Services:

As per EC Screening Report for Chapter 9 – Financial Services, the Republic of Serbia has in general reached a good level of alignment in the insurance sector and partly applies the acquis in this area. Serbia's legislation is largely compliant with the Solvency I, with work needed towards full alignment with Solvency II, having in mind that alignment with Solvency II quantitative requirements (pillar I) and reporting requirements (pillar III) is still in the early stages, while qualitative requirements (pillar II) have been partially transposed.

In the Republic of Serbia, Solvency I capital adequacy requirements are topped up by Solvency II qualitative requirements encompassing key functions (risk management, system of internal controls, actuarial function and internal audit), ORSA (in 2015 insurance and reinsurance companies conducted for the first time their own assessment of risks and solvency), outsourcing and risk-based supervisory review process in line with the EIOPA Guidelines.

On 7 July 2016, the Executive Board of the National Bank of Serbia adopted the Strategy for Implementation of Solvency II in Serbia. In line with Serbia's EU accession process and NPAA (reference number 3.9.2), Solvency II will be implemented in stages, taking into account the level of compliance achieved so far, the expected development of the Serbian insurance sector and the analysis of the impact of the implementation of Solvency II on the domestic insurance market.

The assessment of the impact of Solvency II on the Serbian insurance sector is envisaged to be completed by the end of 2017/ beginning of 2018 and will include quantitative study of the impact of new requirements under Solvency II on capital adequacy and technical provisions of individual insurance and reinsurance companies and the overall insurance sector.

2. Description of the assignment

2.1 Specific objectives

The specific objective of this assignment is to assist the National Bank of Serbia in harmonization of insurance legislation with Solvency II Directive, by providing expert assistance in preparing for quantitative impact study of Solvency II requirements on the insurance sector in the Republic of Serbia. This would include the development of the quantitative impact study methodology, the table for data entry for implementation of the study and training of employees of the National Bank of Serbia for implementation of the quantitative impact study.

2.2 Requested services

The Senior NKE is expected to provide the following services:

- a) To prepare draft Methodology for conducting quantitative impact study based on Solvency II requirements as outlined in the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC;
- b) To propose the outline of draft Excel-based Solvency II Standard Formula tool for data entry for implementation of quantitative impact study of Solvency II based on Annual EIOPA Quantitative Reporting Templates for solo companies for harmonized EU-wide reporting in line with Solvency II;
- c) To present, at training run for the staff of the National Bank of Serbia, draft Methodology and draft Excel-based Solvency II Standard Formula tool for data entry for the quantitative impact



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study of Solvency II, with practical exercise for conducting an actual quantitative impact study by the staff.

2.3 Outputs

The Senior NKE is expected to deliver the following outputs:

- Draft Methodology for the quantitative impact study of Solvency II requirements as outlined in the Commission Delegated Regulation (EU) 2015/35;
- Proposal of the outline of draft Excel-based Solvency II Standard Formula tool for data entry for implementation of quantitative impact study of Solvency II;
- Training delivered at the workshop for the staff of National Bank of Serbia and including presentation of draft Methodology and the Excel-based Solvency II Standard Formula tool outline, with an exercise in data entry for the quantitative impact study of Solvency II, to train the staff in conducting the quantitative impact study of Solvency II in practical manner.

2.4 Reporting

The NKE shall provide the following reports by using the templates of the Project:

- Brief Mission Reports with description of activities and outputs provided, at the end of each mission under this assignment,
- Final Mission Report, no later than 1 week after completion of tasks under this assignment. This report will include description of all activities and outputs provided by two NKEs in the context of this assignment.

Submission of reports:

- Draft mission reports shall be submitted to the Team Leader of the Project for review and comments at the end of the mission.
- Final version of the mission report reports prepared in the relevant quality shall be submitted to the Team Leader of the Project for review, comments and final approval. The reports shall be signed by the NKE and the Team Leader, responsible for endorsing the reports.
- The reports and all prepared documents shall be submitted in hard copy and electronic version to the Team Leader of the project.

2.5 Specifics

The NKE shall work under the guidance and follow the instructions of the Team Leader. The NKE shall collaborate with the project team, other experts involved and representatives of beneficiary institutions and national structures, as relevant.

The NKE's activities and outputs mentioned above may be adjusted by the Team Leader at any stage in the implementation of the Project, depending on the evolving needs of the Project, main beneficiary and/or target beneficiaries. Each of the short-term mission, its timing and duration shall be agreed with the Team Leader prior to each mission.

2.6 Final use of intervention and perspectives for the future

Expert's support aimed at conducting quantitative impact study of Solvency II will contribute to harmonization of national legislation with *acquis* in the area of insurance, having in mind the



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importance of the work needed towards full alignment with Solvency II Directive, especially quantitative requirements (pillar I) as outlined by EC Screening Report for Chapter 9 – Financial Services and planned in the Strategy for Implementation of Solvency II in Serbia.

Additional assistance might be needed regarding other elements of Solvency II that are not included in this Activity.

3. Expert input

3.1 Total working days

20 working days (WDs) in total have been planned for this assignment.

3.2 Period of the assignment

April – September 2017

3.3 Starting day

It is expected that the work will be performed during several missions and starting, at the earliest, from 10 April 2017 onwards. However, exact starting date will be agreed at a later stage.

3.4 Location/Place of assignment

The NKE has to deliver 100% of the input in Belgrade, Serbia.

3.5 Working language

English

4. Expert Profile

4.1 Qualifications and skills (25 points)

- University degree (where university degree has been awarded on completion of three years study in an university or equivalent institution) in Economy or similar, relevant to the assignment
- Proficiency in English language
- Computer literacy (MS Office applications)

4.2 General professional experience (25 points)

- Minimum 8 years of postgraduate professional experience in the field of insurance gained in an EU Member State

4.3 Specific professional experience (50 points)

- Proven professional experience in implementation of Solvency II legislation including quantitative impact studies of Solvency II
- Knowledge of the Solvency II legislation (Levels 2 and 3 Technical Specifications), would be considered as an advantage.



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5. Applications

Applications (EU format CV and application letter, both in English) need to be submitted by e-mail to SEPLAC@altairasesores.es no later than 17:00 hrs, 10 February 2017, titled: **“Application for the position – Senior NKE in the area of Business of Insurance and Reinsurance (Solvency II)”**.

References must be available on request. Only short-listed candidates will be contacted.

The Project is an equal opportunity employer.
All applications will be considered strictly confidential.

Advertised post is not available to civil servants or other officials of the public administration in the beneficiary country, Serbia.

For more information, please contact Project Manager at Altair Asesores S.L.: m.garcia@altairasesores.es / Tel. +34 91 3952798.