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Pravna podrška pregovorima

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

<b>Technical assistance requested:</b>	Two (2) Senior Non-Key Experts in the area of Business of Insurance and Reinsurance (Solvency II) and in relation to life insurance (SNKE 1) and non-life insurance (SNKE 2)
<b>Project Title:</b>	Policy and Legal Advice Centre (PLAC II), Serbia
<b>Ref:</b>	EuropeAid/137065/DH/SER/RS
<b>Service Contract No.:</b>	(CRIS) 2016/375-724
<b>Main beneficiary:</b>	Ministry of European Integration of the Republic of Serbia and the Negotiating Team
<b>Target Beneficiaries:</b>	National Bank of Serbia
<b>Content of the assignment:</b>	Support to the insurance supervisory authority in carrying out the first quantitative impact study (QIS 1) and in the preparations for the second quantitative impact study (QIS 2) in scope of the process of harmonisation with the Directive 2009/138/EC of the European Parliament (Solvency II)
<b>Budget Line / Expert Category:</b>	Senior Non-Key Experts
<b>Duration of the assignment:</b>	30 working days, equally split between two experts and spent during several missions in the period from May until (tentatively) September 2018

#### 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 and related to Insurance area:**

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 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, the 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.

The Executive Board of the National Bank of Serbia adopted the Strategy for the Implementation of Solvency II in Serbia on 7 July 2016. In line with Serbia's EU accession process and the National Programme for the Adoption of the Acquis (NPAA 2018-2021, 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. Currently, the National Bank of Serbia is in the process of amending the Strategy for the Implementation of Solvency II and its revised version should be adopted during the first quarter of 2018.

According to draft version of revised Strategy for the Implementation of Solvency II, the assessment of the impact of Solvency II on the Serbian insurance sector is envisaged to be completed by the end of the first half of 2021 and will include at least two quantitative impact studies to assess 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 as insurance supervisory authority in the process of harmonisation with Solvency II Directive, by providing assistance in carrying out pilot quantitative impact studies for the assessment of the impact of Solvency II on the Serbian insurance sector.

This would include providing guidance to the insurance supervisory authority in running of the first quantitative impact study (QIS 1) and in the preparations for the second quantitative impact study of Solvency II (QIS 2), in the part relating to technical provision and underwriting risk module.

### **2.2 Requested services**

For the respective insurance categories, the Senior NKEs are expected to provide the following services:

- a) To assist staff members of the NBS in providing answers to questions raised by insurance companies during the process of implementation of QIS 1;
- b) To take part in the analysis and interpretation of results of QIS 1, in the part relating to technical provision and underwriting risk module and provide guidance and advice in the elaboration of conclusions presented in the report;



- c) To prepare draft Methodology for QIS 2, in the part relating to technical provision and underwriting risk module;
- d) To provide clarifications regarding EIOPA helper tabs that can be used for QIS 2 in the part relating to technical provision and underwriting risk module;
- e) To train staff members of NBS in practical application of draft Excel-based Solvency II Standard Formula tool for participants' data entry for the implementation of QIS 2, in particular in aspects not covered in QIS 1.

### 2.3 Outputs

For the respective insurance categories, the Senior NKEs are expected to provide the following outputs:

- Proposal of the conclusions related to QIS 1, in the part relating to technical provision and underwriting risk module and in the form of draft report;
- Draft Methodology for QIS 2, in the part relating to technical provision and underwriting risk module;
- Proposal on draft Excel-based Solvency II Standard Formula tool for participants' data entry for the implementation of QIS 2, in the part relating to technical provision and underwriting risk module and in particular, for catastrophic underwriting risk module;
- Delivery of training for staff members of NBS in practical application of draft Excel-based Solvency II Standard Formula tool for participants' data entry for the implementation of QIS 2 in practice and in particular in aspects not covered in QIS 1.

### 2.4 Reporting

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

- Brief Mission Report 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 Report 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 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 Report.
- The Report and all prepared documents shall be submitted in hard copy and electronic version to the Team Leader of the project.

### 2.5 Specifics

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



The NKEs' 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**

Assistance and guidance in scope of pilot quantitative impact studies under Solvency II regime will contribute to improved capacities of the National Bank of Serbia as insurance supervisory authority for practical application of the acquis requirements in the area of insurance. Having in mind the 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 the Implementation of Solvency II in Serbia, staff members will be provided with an opportunity for on-the-job training and learn from real case study by running of QIS as pilot exercise under expert guidance.

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

## **3. Expert input**

### **3.1 Total working days**

30 working days (WDs) in total have been planned for this assignment, of which 15 WDs for Senior NKE 1 in the area of life insurance and 15 WDs for Senior NKE 2 in the area of non-life insurance.

### **3.2 Period of the assignment**

May 2018 – (tentatively) September 2018

### **3.3 Starting day**

It is expected that the work will be performed during several missions and starting, at the earliest, from 07 May 2018 onwards. However, exact starting date will be agreed at a later stage.

### **3.4 Location/Place of assignment**

The NKEs have to deliver 100% of the input in Belgrade, Serbia.

### **3.5 Working language**

English

## **4. Expert Profile**

### **4.1 SNKE 1 in the area of life insurance**

#### **4.1.1 Qualifications and skills (25 points)**

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



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#### 4.1.2 General professional experience (25 points)

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

#### 4.1.3 Specific professional experience (50 points)

- Proven professional experience in the implementation of Solvency II legislation including performance of quantitative impact studies under Solvency II regime
- Experience in calculating technical provision and capital requirement for underwriting risks related to life insurance

### 4.2 SNKE 2 - in the area of non-life insurance

#### 4.2.1 Qualifications and skills (25 points)

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

#### 4.2.2 General professional experience (25 points)

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

#### 4.2.3 Specific professional experience (50 points)

- Proven professional experience in the implementation of Solvency II legislation including performance of quantitative impact studies under Solvency II regime
- Experience in calculating technical provision and capital requirement for underwriting risks related to non-life insurance and other health insurance (NSLT health)

## 5. Applications

Applications (EU format CV and application letter, both in English) need to be submitted by e-mail to [SEPLAC@altairasesores.es](mailto:SEPLAC@altairasesores.es) no later than 17:00 hrs, 15 March 2018, titled: **“Application for the position – Senior NKE 1 in the area of life insurance”** or **“Application for the position – Senior NKE 2 in the area of non-life insurance”**.

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](mailto:m.garcia@altairasesores.es) / Tel. +34 91 3952798.