

**Regulations  
amending Finansinspektionen's regulations and general  
guidelines (FFFS 2013:8) regarding standard regulations for  
non-life insurance undertakings' calculation of contingency  
reserves;**

**FFFS 2015:19**

Published 07/12/2015

decided 25/11/2015.

Finansinspektionen prescribes the following pursuant to the Authorisation for Issuance of Contingency Reserves in Non-life Insurance Undertakings by Finansinspektionen Ordinance (2000:1127)

*in part* that Chapter 1, section 1, Chapter 2, section 4 and the title for Chapter 4 shall have the following wording, and  
*in part* that a new section, Chapter 4, section 3, shall be inserted with the following wording.

**Chapter 1**

**Section 1** These regulations and general guidelines apply to non-life insurance undertakings that conduct non-life insurance business in accordance with the Insurance Business Act (2010:2043).

The regulations shall also be applied to non-life insurance business that foreign insurers conduct in a branch in Sweden and that is covered by Chapter 39, sections 6 and 8 of the Income Tax Act (1999:1229).

**Chapter 2**

**Section 4**<sup>1</sup> To determine the maximum amount for a branch of insurance, the following formulas apply.

The premium income is indicated by  $P$  and provisions for outstanding claims by  $E$ .

*a. Direct insurance in Sweden, excluding credit insurance and suretyship insurance*

Insurance related to:

- Sickness and accident insurance:  $0.10P + 0.20E$
- Worker's compensation insurance:  $0.00P + 0.45E$

<sup>1</sup> Under the amendment, the third paragraph is repealed.

– Home insurance:	$0.50P+0.25E$
– Commercial property and casualty insurance:	$0.50P+0.20E$
– Motor vehicle insurance:	$0.75P+0.40E$
– Third party motor insurance:	$0.25P+0.15E$
– Marine insurance:	$2.00P+0.20E$
– Aviation insurance:	$2.00P+0.15E$
– Transport insurance:	$0.50P+0.40E$
– Redundancy-pay insurance:	$0.30P+0.15E$
– Hail damage insurance:	$1.20P+0.15E$
– Livestock and domestic animal insurance:	$0.50P+1.00E$
– unemployment insurance:	$3.00P+0.00E$

*b. Direct insurance abroad, excluding credit insurance and suretyship insurance*

Direct insurance provided by a Swedish non-life insurance undertaking through cross-border operations or from a fixed place of business (branch office or agency) abroad:

$$1.50P+0.45E$$

*c. Direct credit and suretyship insurance in Sweden or abroad*

$$6.00P+0.00E$$

*d. Accepted reinsurance*

Where reinsurance is ceded by a Swedish insurance undertaking that is a part of the same group as the accepting non-life insurance undertaking, the same formula applies for the maximum amounts as that applicable if the transaction had been retained in the ceding undertaking, i.e. according to items a, b or c. Group refers here to a group as defined in the Swedish Companies Act (2005:551), the Economic Associations Act (1987:667) or the Insurance Business Act (2010:2043).

Otherwise, the following applies:

– credit reinsurance:	$6.00P+0.00E$
– other insurance:	$1.50P+0.45E$

## **Chapter 4 Special provisions regarding the contingency reserve**

**Section 3** If a non-life insurance undertaking does not fulfil the solvency capital requirement in accordance with Chapter 8 of the Insurance Business Act (2010:2043), the undertaking may utilise all or part of the contingency reserve to cover the shortfall.

A non-life insurance undertaking shall notify Finansinspektionen before utilising the contingency reserve in accordance with the first paragraph.

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These regulations enter into force on 1 January 2020 in respect of Chapter 2, section 4 and on 1 January 2016 for the remainder of the regulations and apply to the financial year that commences on each respective date of entry or later.

ERIK THEDÉEN

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