

# Finansinspektionen's Regulatory Code

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**FFFS 2012:5**

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## Regulations

### **amending Finansinspektionen's regulations (FFFS 2011:22) regarding insurance undertakings' choice of interest rate for the calculation of technical provisions;**

decided on 27 June 2012.

Finansinspektionen prescribes<sup>1</sup> pursuant to Chapter 7, section 2, first paragraph, point 11 of the Insurance Business Ordinance (2011:257) that the heading of Finansinspektionen's regulations (FFFS 2011:22) regarding insurance undertakings' choice of interest rate for the calculation of technical provisions shall have the following wording and that a new section, Chapter 1, section 4, shall be inserted into the regulations with the following wording.

#### **Finansinspektionen's regulations and general guidelines regarding insurance undertakings' choice of interest rate in order to calculate technical provisions**

### **Chapter 1**

**Section 4** Finansinspektionen may decide that insurance undertakings, for a certain period of time, may use alternative methods to those set out in these regulations for calculating technical provisions if Finansinspektionen considers that the conditions in the financial markets temporarily are such that the methods for calculating technical provisions set out in these regulations are likely to have results that are not consistent with the current and future assets of the insurance undertakings and this poses a risk to the interests of policyholders and beneficiaries.

An insurance undertaking which intends to use such alternative methods of calculating technical provisions shall first notify Finansinspektionen of this in writing.

An insurance undertaking which uses such alternative methods to calculate technical provisions and which has submitted notification in accordance with the second paragraph, shall also notify Finansinspektionen in writing before deciding on dividends or making any other transfer of value to closely related undertakings or persons.

#### *General guidelines*

<sup>1</sup> Cf. Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (EGT L 345, 19.12.2002, p. 1, Celex 32002L0083) and Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement (EGT L 235, 23.9.2003, p. 10, Celex 32003L0041).

An insurance undertaking which at any time uses such alternative methods to calculate technical provisions should be restrictive in paying dividends or making other transfers of value to related undertakings or persons during the period of time during which the decision pursuant to the first paragraph applies.

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These regulations shall enter into force on 30 June 2012.

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