

# EIOPA seeks to promote dialogue between Regulators and Audit Firms under Solvency II

*EIOPA welcomes comments on the proposal for Guidelines and Recommendations in accordance to Article 16 (2) of the EIOPA Regulation on Solvency II*

On the 3<sup>rd</sup> of February, 2016 EIOPA published a consultation paper seeking views on facilitating an effective dialogue between auditors that carry out statutory audit of (re) insurance companies and the relevant Insurance Regulator.

As stated in the recent proposal, *“EIOPA arrived at a view that there is a problem of impaired, or not fully efficient or sufficient, audit quality... this issue is exacerbated by the experience that there is not sufficient communication between auditors and Regulators. The lack of dialogue between auditors and Regulators is often regarded as a missed opportunity to use the auditors work as a tool for financial stability purposes.”*<sup>1</sup>



As we all get accustomed to working within the new Solvency II environment there is an increased focus on capital efficiency and optimisation. At Insurance Regulatory Capital (IRC) we believe we can support the dialogue between auditors and Regulators in a very meaningful way.

Part of any such dialogue will deal with the target SCR Coverage of the insurer, the actual SCR Coverage and the means by which the gap can be closed. IRC's capital solutions approach specialises in working with insurers to achieve their target SCR through an appropriate mix of reinsurance and subordinated debt. Insurance Regulatory Capital is a long term capital partner and investor to insurance companies

We would be happy to work with auditors in exploring capital options for their clients.



Insurance Regulatory Capital (IRC) is authorized as an investment firm under MiFID. IRC provides eligible regulatory capital, principally in the form of T2 subordinate debt, to mid-sized insurers that are too small to access the capital markets.

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