

## *Regulation and insurance*

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Course : 15 hours - TP : 0 hours

### *Objectives*

The objective of this course is to provide students with knowledge about the prudential supervision of insurance companies. This course will enable them to grasp the complexity of accounting, financial, tax and legal issues and the need to take them into account when assessing the solvency margin. Current events will also be highlighted.

At the end of this course, students should:

- master the fundamentals of insurance (contract, legal form of companies, lines of business)
- to know the main stages in the life of the contract (underwriting, premium call, management, compensation, litigation) as well as the rights and duties of the insurance company and the insured/underwriter
- understand the financial statements of an insurance company (balance sheet, income statement, notes)
- understand the organisation of prudential supervision (ACPR, missions, powers, sanctions)
- be aware of the differences between the prudential regimes Solvency 1 and Solvency 2
- understand the 3 pillars of the Solvency 2 framework (quantitative requirements, qualitative requirements, information)
- Enter the mechanism for calculating the solvency capital requirement (minimum solvency requirement) and the constitution of the solvency margin (Tier1, Tier2, Tier3).

### *Outline*

1. The main principles of insurance: why is insurance subject to prudential supervision?  
- the insurance market, the fundamental aspects of insurance, prudential supervision of insurance operations.
2. Insurance operations: what are the obligations associated with the insurance contract?  
the classification of operations, the players in insurance, the insurance contract, claims, litigation.
3. Accounting principles: how to read the accounts of insurance companies?  
The principles of general accounting and their application to insurance, the specificities of the insurance accounting plan, IFRS developments.
4. Prudential regulations Solvency 2: are risks better controlled than with Solvency 1?  
from Solvency 1 to Solvency 2, legal and technical bases, quantitative requirements, governance, risk management, prudential reporting.

### *Bibliography*

- Assurance –Béhar, Fromenteau, Ménart, Tosetti (Economica)
- Code civil
- Code des assurances
- Droit des assurances –Groutel (Dalloz)
- Encyclopédie de l'assurance –Ewald, Lorenzi (Economica)
- Gestion Actif Passif en assurance vie –Le Vallois, Palsky, Paris, Tosetti (Economica)
- Les grands principes de Solvabilité 2 –Dreyfuss (L'Argus)
- Rapport annuel de l'ACPR 2018 (ACPR-Banque de France)