# **Disclosure of information on supervisory objectives, functions and activities**

The purpose of supervision is to ensure that the foundation, activities and dissolution of insurance undertakings and intermediaries comply with legal acts and other legislation, while taking into consideration protection of the interests and rights of policyholders, people insured and beneficiaries.

Finantsinspektsioon, the Estonian Financial Supervision and Resolution Authority, exercises supervision over branches founded in other Contracting States and operating in Estonia, and over the cross-border insurance activities and insurance distribution of Estonian insurance undertakings and intermediaries.

Prudential supervision analyses the solvency and sustainability of market participants by assessing the risks associated with their activities. The main objective of prudential supervision is to contribute to making the financial system more stable and sounder through risk-based analysis and by assessing the quality of risk management and the adequacy of the capital available to cover the risks taken, and to prevent potential losses.

One of the tools Finantsinspektsioon has is the risk assessment process, which is used to assess the risk profiles of supervised entities and to plan supervisory activities and resources. The risk assessment process is based on supervisory assessment and takes qualitative and quantitative information into account. The central process of the prudential supervision of insurers is the supervisory review process (SRP)[[1]](#footnote-1). The cycle of one SRP is one to three years. The elements of the SRP are risk analysis and a detailed review of the activities of the insurer and, where appropriate, supervisory measures. An important input to the SRP is the insurer’s own risk and solvency assessment (ORSA) report in which the insurer assesses the risks associated with their activities, the capital required to cover those risks, and the adequacy of their own funds.

1. online <https://www.fi.ee/et/juhendid/insurance/jarelevalvemenetluse-suunised> [↑](#footnote-ref-1)