

Directive 98/78/EC of the European Parliament and of the  
Council of 27 October 1998 on the supplementary supervision  
of insurance undertakings in an insurance group (repealed)

*Article 3*

**Scope of supplementary supervision**

1 The exercise of supplementary supervision in accordance with Article 2 shall in no way imply that the competent authorities are required to play a supervisory role in relation to the non-member-country insurance undertaking, insurance holding company or mixed-activity insurance holding company or reinsurance undertaking taken individually.

2 The supplementary supervision shall take into account:

- related undertakings of the insurance undertaking,
- participating undertakings in the insurance undertaking,
- related undertakings of a participating undertaking in the insurance undertaking,

referred to in Articles 5, 6, 8, 9 and 10.

3 Member States may decide not to take into account in the supplementary supervision referred to in Article 2 undertakings having their registered office in a non-member country where there are legal impediments to the transfer of the necessary information, without prejudice to the provisions of Annex I, point 2.5, and of Annex II, point 4.

Furthermore, the competent authorities responsible for exercising supplementary supervision may in the cases listed below decide on a case-by-case basis not to take an undertaking into account in the supplementary supervision referred to in Article 2:

- if the undertaking which should be included is of negligible interest with respect to the objectives of the supplementary supervision of insurance undertakings,
- if the inclusion of the financial situation of the undertaking would be inappropriate or misleading with respect to the objectives of the supplementary supervision of insurance undertakings.