


# Chapter 1

## Commission Delegated Regulation (EU) 2018/959



## Article 41 Use of a sophisticated risk mitigation calculation

For the purposes of assessing that an institution uses a sophisticated risk mitigation calculation, as referred to in point (ii) of Article 36(d), competent authorities shall confirm that the modelling approach for incorporating the insurance coverage within the AMA meets at least the following:

- (a) it is consistent with the operational risk measurement system adopted to quantify the gross-of-insurance losses;
- (b) it is transparent in its relationship with the actual likelihood and impact of losses used in the institution's overall determination of its AMA own funds requirements, and is also consistent with that relationship.