

## RAB response to EIOPA's consultation paper on relevant insurance and reinsurance undertakings with respect to the host Member State's market

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The Insurance Europe Reinsurance Advisory Board (RAB) welcomes the opportunity to provide comments to EIOPA's consultation paper on the proposal for Regulatory Technical Standards (RTS) on relevant insurance and reinsurance undertakings with respect to the host Member State's market.

The RAB supports the positions of the wider industry and the comments provided by Insurance Europe in its response to the consultation. From the RAB's perspective, the following aspects of the industry response are most important:

■ **The RAB supports maintaining the differentiation between non-life and life insurance markets, which is embedded in the Solvency II Directive**

■ Article 1(a)(ii) of the draft RTS indicates that the market share to identify the concentration of activities shall be calculated in terms of the whole insurance market, life insurance market, non-life insurance market or reinsurance market. However, per the Solvency II Directive, there is no standalone reinsurance market. The Solvency II Directive is reflective of an economic reality whereby reinsurers engage in the life and non-life markets through treaty business, facultative reinsurance business and direct specialty business. And the other way around, primary insurers, as well as financial market participants, also engage in the reinsurance market.

■ The RAB supports amendments to the draft RTS which would clarify that the market share criteria is based on two markets: 1) the life insurance and reinsurance market and 2) the non-life insurance and reinsurance market. Such clarification would allow for alignment of markets' differentiation with both the Solvency II and the Insurance Recovery & Resolution Directive, which applies the same differentiation principle.

■ This could be achieved via the following amendments:

■ **Article 1(1)(a)(ii):** *Share of the insurance or reinsurance undertaking's activities in the host Member State, measured as the annual gross written premium income corresponding to the activities carried out by the undertaking in that host Member State, compared to the undertaking's total annual gross written premium income; or the market share held by the insurance or reinsurance undertaking in the host Member State's market, measured either in terms of whole insurance market, life insurance **and reinsurance** market **or non-life insurance **and reinsurance** market ~~or reinsurance market~~; or***

- **Article 1(2):** *For the purposes of point (a)(ii) of paragraph 1, the market share shall be measured as a percentage of the annual gross written premium income or the gross technical provisions corresponding to the relevant activities carried out by the undertaking in that host Member State, compared to the total of the annual gross written premium income or gross technical provisions for activities in the host Member State's insurance market, life insurance **and reinsurance** market ~~or non-life insurance **and reinsurance** market ~~or reinsurance market~~~~ as appropriate.*

*Insurance Europe's Reinsurance Advisory Board (RAB) is a specialist representative body for the European reinsurance industry. It is represented at chairman and chief executive officer (CEO) level by the seven largest European reinsurance firms: Gen Re, Hannover Re, Lloyd's, Munich Re, PartnerRe, SCOR and Swiss Re, with Insurance Europe providing the secretariat.*

*Through its member bodies, the RAB represents more than 50% of total worldwide reinsurance premium income. The RAB promotes a stable, innovative and competitive market environment. It further promotes a regulatory and trading framework that facilitates global risk transfer through reinsurance and other insurance-linked capital solutions.*