

Consistency is key in Solvency II implementation

Initial response from Insurance Europe to EIOPA Solvency II guidelines

Brussels, 1 October 2013: It is important that Solvency II, the new regulatory regime for Europe's insurers, is implemented consistently across the EU. Insurance Europe therefore appreciates the fact that guidelines were published by the European Insurance and Occupational Pensions Authority (EIOPA) on 27 September to help insurers and national supervisors prepare for implementation.

"Insurance Europe is pleased that EIOPA has made clear that the guidelines should be applied in a proportionate way and has emphasised that this is a preparatory phase during which Solvency I remains the applicable regime," said Olav Jones, deputy director general of Insurance Europe. "It is also good to see that no quantitative reporting linked with Solvency II Pillar I elements is required until 2015."

To avoid incurring implementation costs twice, the review clause in the guidelines should be used to ensure that undertakings are not asked to implement any Pillar I quantitative reporting before the Omnibus II Directive and the delegated acts that flesh out the Solvency II Framework Directive are clearly defined.

"Furthermore, we feel that it should have been more clearly stated that application of the guidelines by both supervisors and insurers should be on a 'best effort' basis," said Jones. "We are also disappointed that the guidelines ask undertakings to provide Solvency II reporting for year-end 2014 as well as third-quarter 2015. To ensure readiness, third-quarter 2015 reporting is sufficient. The additional reporting creates significant additional costs, since companies will need to simultaneously comply with all existing Solvency I reporting.

"EIOPA also proposes that both narrative and group reporting be required during the preparatory phase. The industry considers these inappropriate, since in the narrative reporting undertakings will be describing a temporary solution and in the group reporting groups may not have information available for consolidation, as there will be different approaches to solo reporting (for individual undertakings) in different countries and not all individual undertakings will be required to report."

Background

EIOPA intends to issue its guidelines in all the official EU languages on 31 October 2013 with an application date of 1 January 2014. National authorities will be required to submit a progress report to EIOPA on implementation of the guidelines in February 2015.

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Notes for editors

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2. Copies of all Insurance Europe press releases are available on the Insurance Europe website (www.insuranceeurope.eu).
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance



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