



## Press Release

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### **EIOPA STARTS THE SOLVENCY II REVIEW PROCESS BY CONSULTING ON THE SOLVENCY CAPITAL REQUIREMENT STANDARD FORMULA**

- *The objective of the Solvency Capital Requirement (SCR) standard formula review is to ensure a proportionate but technically robust, risk-sensitive and consistent supervisory regime*
- *EIOPA strives for simplifications in the Solvency Capital Requirement standard formula*
- *EIOPA invites all stakeholders to provide concrete proposals*

**Frankfurt, 8 December 2016** – The European Insurance and Occupational Pensions Authority (EIOPA) published today a Discussion Paper on the Review of Specific Items in the Solvency II Delegated Regulation focusing on the Solvency Capital Requirement (SCR) standard formula. The Discussion Paper is EIOPA's first step in the preparation of its response to the Call for Advice received from the European Commission in July 2016.

With this consultation EIOPA starts an important process of the post-evaluation of Solvency II as foreseen in the Directive and its Delegated Acts. The objectives of this review process in the context of the SCR standard formula are to ensure a proportionate and technically robust, risk-sensitive and consistent supervisory regime for insurance sector and to propose possible simplifications.

Therefore, EIOPA is consulting on overarching aspects of the SCR standard formula and solicit stakeholder feedback on key sub-modules such as life and non-life underwriting risks, catastrophe risks, counterparty default risk, risk margins, own funds outlined in details in the Discussion Paper. It seeks stakeholders' evidence and proposals to achieve the SCR standard formula review's objectives on a technically

sound basis. At this stage the Discussion Paper does not propose policy options, which will be addressed during roundtable discussions with relevant stakeholders organised in the course of 2017.

The Final Advice will be submitted to the European Commission by February 2018.

Gabriel Bernardino, Chairman of EIOPA, said: *"The review of the SCR standard formula marks the first phase of the Solvency II review process. Therefore, we call upon all stakeholders to share with us evidence-based information and necessary, justified changes. EIOPA is particularly interested in concrete proposals to achieve the objective of more simplicity and proportionality whilst reflecting risk-sensitivity of the system and avoiding pro-cyclicality"*.

The consultation period ends on 3 March 2017. The Discussion Paper and the template for comments can be viewed here: <https://goo.gl/jAXgMN>

## **Notes for Editors:**

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union. EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union. EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.

**The review of Solvency II** is a formal process following the legislative texts from the Solvency II Directive. Recital 150 of the Solvency II Delegated Regulation defines a timeline for **the review of the SCR standard formula**, the first phase of the review, which should be done by the European Commission before December 2018. The **Solvency II regime** will be reviewed by 2021.