Press Release

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Insurance Europe welcomes EU agreement on Omnibus II

Trialogue consensus paves way for Solvency II application in 2016

Brussels, 14 November 2013: The agreement reached last night between the European Parliament, Council and Commission on the Omnibus II Directive is an important milestone in the path towards the new Solvency II risk-based regulatory regime for EU insurers.

"Insurance Europe commends the EU institutions for reaching agreement on Omnibus II," said its president, Sergio Balbinot. "It was important for Omnibus II — which updates the Solvency II Directive of 2009 — to be finalised now, as a great deal of work remains to be done on the technical details of the new regime before insurers and supervisors can be ready to apply it from the start of 2016."

Insurers will have very little time between the finalisation of the delegated acts and technical standards, which provide important details on technical matters under Solvency II, and the proposed application date of 1 January 2016. Nevertheless, Insurance Europe remains committed to the current process for finalising the new regime. Europe's insurers will do their utmost to meet the ambitious timetable.

"While the compromise reached between the institutions on Omnibus II is not the ideal solution the insurance industry would have wished for in terms of correctly reflecting insurers' long-term business and low exposure to market volatility, we do believe it is a workable base from which to develop the technical details of the new regulatory regime," said Balbinot.

From the outset, the European insurance industry has supported the goals of Solvency II. The new regulatory regime has the potential to deliver a state of the art prudential regime that will ensure very strong policyholder protection, maintain the competitiveness of the European industry and strengthen the European single market.

"Solvency II will enhance the confidence of investors and policyholders in the European insurance industry, which is the largest in the world, with 33% of global premiums," said Balbinot.

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Background

The EU's Solvency II Framework Directive was agreed in 2009 (2009/138/EC). The Omnibus II Directive is intended to make changes to it to reflect developments such as the EU reforms in the Lisbon Treaty. It is also being used to address concerns over artificial volatility and pro-cyclicality created by the Solvency II measures when they were tested in the fifth quantitative impact study (QIS 5) run in 2010.

The latest timetable for Solvency II, which was proposed in October, is for the Solvency II Directive to apply from 1 January 2016.

Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 894 30 70, clark@insuranceeurope.eu).
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 undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is

based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of more than €1 100bn, employ almost one million people and invest almost €8 400bn in the economy.