

Taking-up and pursuit of the business of insurance and reinsurance (Solvency II): detailed requirements

2014/2893(DEA) - 17/12/2014

The European Parliament **rejected by 189 votes to 512 with 7 abstentions, the Commission delegated regulation of 10 October 2014** supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

Article 101 of [Directive 2009/138/EC](#) required that all quantifiable risks to which an insurance or reinsurance undertaking was exposed were taken into account and that the Solvency Capital Requirement should correspond to the Value-at-Risk of the basic own funds of an insurance or reinsurance undertaking subject to a confidence level of 99.5 % over a one-year period.

That directive empowered the Commission to adopt delegated acts in a number of specified areas, and the Commission duly requested CEIOPS/EIOPA to provide technical advice in relation to those areas.

CEIOPS/EIOPA submitted to the Commission final advice on: the calibration of Solvency 2 (CEIOPS-SEC-40-10); own funds classification and eligibility (CP46); design and calibration of the equity risk sub-module (CP69); treatment of future premiums (CP30); and calculation of risk margin (CP42).

The Greens/EFA group, which tabled the draft resolution, felt that the delegated regulation adopted by the Commission on 10 October 2014 deviated significantly, in several important cases, from the technical advice submitted, resulting in significantly lower calibrations of risk factors used in the standard formula to calculate the Solvency Capital Requirement (SCR) than recommended by CEIOPS/EIOPA.

Members also noted that the Committee on Economic and Monetary Affairs had not tabled a motion for a resolution to object to a delegated act, in accordance with Rule 105(3).