Life insurance: solvency margin for undertakings (amend. Directive 79/267/EEC)

2000/0249(COD) - 12/06/2001

The committee adopted the report by Harald ETTL (PES, A) broadly approving the proposal under the codecision procedure (1st reading), subject to a number of amendments many of which were of a technical or drafting nature. The committee was also concerned to achieve a level playing field and avoid distortions of competition. It therefore adopted an amendment requiring the Commission, in its report on the application of the directive, to indicate how frequently national supervisory authorities use discretionary powers and whether this results in major supervisory differences in the single market. It also wanted to ensure that insurance undertakings in difficulty were not allowed to "export" their problems by automatically being given a solvency certificate, thereby allowing them to trade in other Member States. Another amendment took up the controversial issue of the calculation of the available solvency margin with reference to future profits. To ensure that all national authorities treated every case in the same way, the committee wanted this to be phased out after a lengthy adjustment period, i.e. by 31 December 2009. Lastly, the committee wanted to insert a grandfather clause for existing mutual insurance undertakings falling below the new contribution limit to allow them to continue to fall within the scope of the directive.