Basic information

2000/0249(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Life insurance: solvency margin for undertakings (amend. Directive 79 /267/EEC) **Subject** 2.50.05 Insurance, pension funds 4.60.06 Consumers' economic and legal interests	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	ETTL Harald (PSE)	06/11/2000

Committee for opinion	Rapporteur for opinion	Appointed
JURI Legal Affairs and Internal Market	RIPOLL Y MARTÍNEZ DE BEDOYA Carlos (PPE-DE)	11/12/2000
ENVI Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Competitiveness (Internal Market, Industry, Research and Space)	2351	2001-05-30
Education, Youth, Culture and Sport	2408	2002-02-14

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	

Key events

Date	Event	Reference	Summary
25/10/2000	Legislative proposal published	COM(2000)0617	Summary
17/11/2000	Committee referral announced in Parliament, 1st reading		
30/05/2001	Debate in Council		Summary

12/06/2001	Vote in committee, 1st reading		Summary
12/06/2001	Committee report tabled for plenary, 1st reading	A5-0211/2001	
03/07/2001	Debate in Parliament		
04/07/2001	Decision by Parliament, 1st reading	T5-0381/2001	Summary
14/02/2002	Act adopted by Council after Parliament's 1st reading		
05/03/2002	Final act signed		
05/03/2002	End of procedure in Parliament		
20/03/2002	Final act published in Official Journal		

Technical information

Procedure reference	2000/0249(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 047-p2 EC Treaty (after Amsterdam) EC 055
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0211/2001	12/06/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0381/2001 OJ C 065 14.03.2002, p. 0059-0136 E	04/07/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2000)0617  OJ C 096 27.03.2001, p. 0123 E	25/10/2000	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0518/2001 OJ C 193 10.07.2001, p. 0021	25/04/2001	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Directive 2002/0012 OJ L 077 20.03.2002, p. 0011-0016	Summary

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

2000/0249(COD) - 30/05/2001

The Council took note of a progress report concerning two proposals for directives on solvency margin requirements for life and non-life insurance companies. It confirmed its agreements on the text of the proposals and instructed COREPER to finalise the examination of the proposals in the light of the opinion of the European Parliament, as soon as it is available, with a view to reaching agreement on the directives at first reading, if possible.

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

2000/0249(COD) - 05/03/2002 - Final act

PURPOSE : to improve the rules on solvency margin requirements for life insurance undertakings. COMMUNITY MEASURE : Directive 2002/12/EC of the European Parliament and of the Council amending Council Directive 79/267/EEC as regards the solvency margin requirements for life insurance undertakings. CONTENT : This Directive lays down minimum standards for the solvency margin requirements and home Member States are able to lay down stricter rules for insurance undertakings authorised by their own competent authorities. The Directive increases the minimum guarantee fund. To avoid major and sharp increases in the minimum guarantee fund in the future, a mechanism is established providing for its increase in line with the European index of consumer prices. To improve the quality of the solvency margin, the possibility of including future profits in the available solvency margin is limited and subject to conditions. In any event, it ceases after 2009. In specific situations where policyholders' rights are threatened, competent authorities are empowered to intervene at an early stage, but in the exercise of those powers, competent authorities must inform the insurance undertakings of the reasons motivating such supervisory action. As long as such a situation exists, the competent authorities are prevented from certifying that the insurance undertaking has a sufficient solvency margin. Finally, in the light of market developments in the nature of reinsurance cover purchased by primary insurers, the competnet authorities are empowered to decrease the reduction to the solvency margin requirement in certain circumstances. Compliance with the Directive must first apply to the supervision of accounts for financial years beginning on 01/01/04 or during that calendar year. DATE FOR TRANSPOSITION : 20/09/03. ENTRY INTO FORCE : 21/03/02.

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

2000/0249(COD) - 25/10/2000 - Legislative proposal

PURPOSE : to present a proposal for a Directive on the solvency margin requirements for life assurance undertakings. CONTENT : the basic purpose of this proposal is to improve the protection of insurance policyholders by improving the rules regarding the solvency margin of life assurance undertakings. A companion proposal (refer to COD/2000/0251) to amend the solvency margin for non-life insurance undertakings has also been prepared. The two proposals have many common measures and for coherence should be read together. The existing solvency margin requirements were established more than 20 years ago and since then have remained substantially unchanged. Hence, the need to review the solvency margin requirements. With this in mind, the Commission conducted an in-depth analysis and also extensive discussion has taken place and all this work has culminated in the present package of proposals. The present proposal for a Directive significantly clarifies, simplifies, improves and updates the existing rules. Taken as a whole it represents a significant strenthening and improvement of the current system. Overall, it reinforces the existing system by the following measures: - minimum harmonisation: the harmonised solvency margin (SM) rules are not to be considered strict. Thus, Member States are free to establish more stringent rules for the undertakings they authorise. This approach reflects differences between existing systems and allows national authorities to further strengthen RSM in line with their national market specificities; - indexation of MGF (Minimum Guarantee Funds): the MGF has been strengthened and indexed in line with inflation. Generous transitional arrangements are foreseen (5 plus additional 2 years from entry into force); - increased powers of early intervention for supervisors: regulatory supervision has been strengthened by

expressively endowing the competent authorities with the power to take remedial action where policyholders interests are threatened; - changes to solvency margin for reinsurance: the existing formula for the reinsurance reduction to the RSM has been slightly improved. It is now based on a three year average (as opposed to a single year); - the different items eligible for the ASM have been clarified and categorised into three groups according to thir relative finaincial strength. The eligibility of certain items has been further limited. Furthermore, different accounting approaches are now treated in a more coherent and consistent manner. The proposal covers all insurance undertakings established as limited companies and all mutuals whose contribution income exceeds EUR 5 million.

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

2000/0249(COD) - 04/07/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report by Harald ETTL (EPP/ED, Austria) and on its first reading, amended the Commission's proposal on solvency margin requirements for life-assurance companies. (Please refer to previous text.)