Basic information

2000/0251(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/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)0634	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	A5-0212/2001	
03/07/2001	Debate in Parliament		
04/07/2001	Decision by Parliament, 1st reading	T5-0382/2001	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	2000/0251(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		A5-0212/2001	12/06/2001	
Text adopted by Parliament, 1st reading/single reading		T5-0382/2001 OJ C 065 14.03.2002, p. 0059-0141 E	04/07/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2000)0634  OJ C 096 27.03.2001, p. 0129 E	25/10/2000	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0517/2001 OJ C 193 10.07.2001, p. 0016	25/04/2001	

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

Final act	
Directive 2002/0013 OJ L 077 20.03.2002, p. 0017-0022	Summary

Non-life insurance: solvency margin for undertakings (amend. Directive 73 /239/EEC)

2000/0251(COD) - 05/03/2002 - Final act

PURPOSE : to improve the protection of insurance policyholders by improving rules regarding the solvency margin requirements for non-life insurance undertakings. COMMUNITY MEASURE : Directive 2002/13/EEC as regards the solvency margin requirements for non-life insurance undertakings. CONTENT : the Council adopted the directive by accepting all the amendments voted by the European parliament in its first reading. This Directive significantly clarifies, simplifies, improves and updates the existing rules. Taken as a whole, it represents a significant strengthening 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 market specificities; - indexation of MGF (Minimum Guarantee Fund) and premium/claims thresholds: the MGF's have been strengthened and indexed in line with inflation; - 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 one single year); - increased power of early intervention for supervisors: regulatory supervision has been strengthened by expressely endowing the competent authorities with the power to take remedial action where policyholders interests are threatened; - solvency margin requirement for run-off companies: previously the RSM formula produced an unsatisfactory result for insurance undertakings in run-off. This is now corrected by requiring a proportionate run-down in the RSM; - the different items eligible for the ASM have been clarified and categorised into three groups according to their relative financial strength. The eligibility of certain items has been further limited, thus reinforcing the financial quality of the solvency margin. Not later than 1 January 2007 the Commission shall submit to the European Parliament and the Council a report on the application of this Directive and, if necessary, on the need for further harmonisation. The report shall indicate how Member States have made use of the possibilities in this Directive, and, in particular, whether the discretionary powers afforded to the national supervisory authorities have resulted in major supervisory differences in the single market. ENTRY INTO FORCE : 20/03/2002. IMPLEMENTATION : 20/09/2003.

Non-life insurance: solvency margin for undertakings (amend. Directive 73 /239/EEC)

2000/0251(COD) - 30/05/2001

The Council confirmed its agreement on the texts of the proposals and instructed the Permanent Representatives Committee 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 an agreement on the directives at first reading, if possible.

Non-life insurance: solvency margin for undertakings (amend. Directive 73 /239/EEC)

2000/0251(COD) - 25/10/2000 - Legislative proposal

PURPOSE : to present a proposal for a Directive amending the solvency margin requirements for non-life insurance undertakings. CONTENT : the basic purpose of this Directive is to improve the protection of insurance policyholders by improving rules regarding the solvency of margin of insurance undertakings. A companion proposal (refer to COD/2000/0249) to amend the solvency margin for life assurance 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 remain substantially unchanged. Therefore, there was a 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 strengthening 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 market specificities; - indexation of MGF (Minimum Guarantee Fund) and premium/claims thresholds: the MGF's have been strengthened and indexed in line with inflation; so have the thresholds for the application of the split percentage rates for the premiums and claims. The number of MGF's has been simplified and reduced to 2 (from 4). Generous transitional periods arrangements are foreseen (5 plus additional 2 years from entry into force); - 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 one single year); - increased power of early intervention for supervisors: regulatory supervision has been strengthened by expressely endowing the competent authorities with the power to take remedial action where policyholders interests are threatened; - class enhancement: a higher RSM is now established for non-life classes of business that have a particularly volatile risk profile. These are classes 11, 12 and 13 corresponding to marine, aviation and general liability. The proposal is to increase the current RSM by 50%; - solvency margin requirement for run-off companies: previously the RSM formula produced an unsatisfactory result for insurance undertakings in run-off. This is now corrected by requiring a proportionate run-down in the RSM; - the different items eligible for the ASM have been clarified and categorised into three groups according to their relative financial strength. The eligibility of certain items has been further limited, thus reinforcing the financial quality of thesolvency margin.

Non-life insurance: solvency margin for undertakings (amend. Directive 73 /239/EEC)

2000/0251(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 amended the Commission's proposal on solvency margins for non-life insurance undertakings. (please refer to previous text).