



## EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels,  
FISMA/D4/RH/lh/(2018)2419333

Mr Gabriel Bernardino  
Chairman  
EIOPA  
Westhafenplatz 1  
60327 Frankfurt am Main  
Germany

**Subject: Request for information on the impact of Solvency II on long-term insurance and reinsurance activities**

Dear Mr Bernardino,

The Solvency II Directive sets out two review clauses for 2020, covering the standard formula for capital requirements and the long-term guarantee measures. These review clauses spell out specific objectives related to the availability of long-term guarantees in insurance products, the behaviour of insurance and reinsurance undertakings as long-term investors and, more generally, financial stability.

In 2016 and 2017, EIOPA submitted the two first iterations of its annual reports on the long-term guarantee measures, in accordance with Article 77f of the Solvency II Directive. The first iterations already included detailed data and analysis on the impact of the existing measures, as well as some information on the impact of these measures on insurers' investments and on the availability of insurance products. These annual reports will be very useful to assess the on-going appropriateness of the measures on which it is focusing.

In addition to the information already provided, the Commission has identified other areas where investigation should help assessing the appropriateness of the current framework by 2020. In that light, I am pleased to enclose a Request for Information, as regards the use of long-term guarantee measures by insurance and reinsurance undertakings, the characteristics and valuation of insurers' liabilities, as well as evidence on insurers' behaviour as long-term investors.

To ensure a timely review of the Solvency II Directive, I would invite EIOPA to provide the information by 16 December 2019. I would be grateful if you could share with us your timetable for the work on this request. Closer to the 1 January 2021 deadline for the review, the Commission will follow with a Call for Advice.

I believe that close co-operation between EIOPA and the Commission on this matter should be maintained. To this end, I would propose that representatives of DG FISMA

should participate, as observers, in meetings / conference calls related to the gathering of the requested information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P.P. L.S.' followed by a long horizontal stroke.

Olivier Guersent

**Contacts:** Dagmar VÖLKER, Robert HINTZE (DG FISMA)

**Copies:** J. BERRIGAN, Anne SCHAEDELE, Martin MERLIN, Nathalie BERGER, Steve RYAN, Monica GONZALEZ PERDIGUERO, Filip ZRILE, Marc HOROVITZ, Dagmar VÖLKER, Robert HINTZE (DG FISMA)

**Enclosures:** Request to EIOPA for Information on the impact of Solvency II on long-term insurance and reinsurance activities