



Gabriel Bernardino
Chairman

Mr. Michel Barnier
European Commissioner for Internal Market and Services
European Commission
BERL 10/034
200, rue de la Loi
B - 1049 Brussels

31 January 2012
EIOPA/12/036/PS/GB/sgc

Subject: Implementation of Solvency II

Dear Commissioner Barnier, *Dear Commissioner,*

With this letter I would like to express my concern on the current developments of the Solvency II project.

In fact, the current delays in the approval of the Omnibus II Directive and the Level 2 implementing measures are increasing the constraints EIOPA is facing to conduct its public consultation on the standards and guidelines which will complement this new regulatory framework.

EIOPA is currently evaluating how to factor in these delays in its on-going work and planning how to mitigate their potential adverse effects. We aim to consult on standards and guidelines this year, in two consolidated papers, which should help in ensuring the consistency and the readability of the measures and increase the efficiency of the public consultation. During the past year, we have pre-consulted on draft papers and we will continue to inform stakeholders in a timely fashion of any developments, also by liaising with EIOPA's Insurance and Reinsurance Stakeholder Group.

However, what supervisors, industry and consumers would benefit most from is certainty on the implementation of Solvency II. It is my conviction that any further delays will lead to the development of national solutions to keep the momentum

achieved by supervisors and undertakings in preparing for Solvency II. This is contrary to the development of the single rule book and will hinder the efforts for achieving European convergent practices, which is at the heart of the project.

Also, considering the improvements Solvency II will bring to the understanding and management of risk, it is difficult in light of the global crisis to defend any further delay in its implementation.

Last but not least, as Solvency II is currently considered a reference framework for insurance risk-based supervision at the international level, any further uncertainties and delays on its implementation could be harmful towards the position of the EU in the international discussions.

Therefore, I want to stress the importance of having a vote on Omnibus II in ECON as quickly as possible and urge the European Parliament, the Commission and the Council to agree within the context of the trilogue on a clear timeline, which would ensure the entry into force in 2014 with sufficient assurance for a due process to prepare the Solvency II implementation. This timeline should be appropriately communicated to all stakeholders in order to eliminate the current uncertainties.

EIOPA stands ready to provide further input to the EU political institutions during the following stages of the process and reiterates its commitment to the development of sound, effective and consistent level of regulation and supervision in the EU.

With best regards,

A handwritten signature in black ink, appearing to read 'Jonathan Faull', with a long horizontal flourish extending to the right.

cc: Jonathan Faull, Director General DG Internal Market & Services
Nadia Calvino, Deputy Director General DG Internal Market & Services
Mario Nava, Director Financial Institutions DG Internal Market & Services
Karel van Hulle, Head of Insurance and Pensions Unit, DG Internal Market & Services