

CEA sets out key issues arising from QIS4

Highlights outstanding questions from last Solvency II impact study

Brussels, 9 January 2009: The CEA, the European insurance and reinsurance federation, today set out the key issues that have been highlighted by insurers as a result of last year's QIS4 exercise, the fourth quantitative impact study run by the Committee of European Insurance and Occupational Pensions Supervisors (Ceios) as part of the Solvency II project.

In a paper submitted to Ceios, the CEA sets out the issues that the industry would like to see addressed in the development of possible QIS5 technical specifications and, ultimately, the implementing measures for the proposed Solvency II Framework Directive.

Among the issues, the CEA highlights the need for more analysis on the calculation of technical provisions and the calibration of some solvency capital requirement (SCR) models. It also calls for more work to be done on how to apply the proportionality principle in Pillar I.

"We appreciate the high quality of the work done on Solvency II and the good cooperation we have had with Ceios and the European Commission," said Alberto Corinti, deputy director general of the CEA. "We hope that our paper will prove helpful as we tackle the issues that require further work."

The high level of insurance industry participation in QIS4 demonstrated insurers' commitment to the Solvency II regime. The industry remains firmly convinced that Solvency II will bring significant benefits to both insurers and consumers.

"The CEA looks forward to cooperating closely with Ceios to ensure that the implementing measures do not depart from the economic risk-based principles that lie at the heart of the regime and that the Solvency II timetable is not delayed," said Corinti.

The [CEA paper](#) is available on the CEA website.

Background

Solvency margin requirements for EU insurers have been in place since the 1970s. Following a review required by the third generation Insurance Directives of the 1990s, limited reforms, known as Solvency I, were agreed by the European Parliament and the Council in 2002. The European Commission adopted the Solvency II proposal for a more fundamental and wider ranging review in July 2007 and an amended proposal on 26 February 2008.

To help prepare for the development of implementing measures once the Solvency II proposal has been adopted by the Council and the Parliament, the Committee of European Insurance and Occupational Pensions Supervisors (Ceios) was asked to run quantitative impact studies (QIS). The fourth, QIS4, ran from April to July 2008 and Ceios published its full findings from the study in November 2008.

Under the four-level Lamfalussy EU decision-making process, Level One sees agreement on the principles of a framework directive. At Level Two Ceiops or another Level Two committee is mandated to prepare technical guidance on how to implement the framework directive.

- Ends

Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 547 5812, clark@cea.eu).
2. Copies of all CEA press releases are available on the CEA's website (www.cea.eu).
3. The CEA is the European insurance and reinsurance federation. Through its 33 member bodies, the national insurance associations, the CEA represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. The CEA, which is based in Brussels, represents undertakings that account for approximately 94% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of €1 122bn, employ one million people and invest more than €7 200bn in the economy.