

CEA welcomes De Larosière Group's call for early Solvency II adoption

Supports De Larosière's recommendation that the group support regime is maintained

Brussels, 25 February 2009: The CEA, the European insurance and reinsurance federation, welcomes the report published today by the European Commission's High Level Group on Financial Supervision, chaired by Jacques de Larosière.

"We welcome this timely, thorough and far-reaching review of financial services supervision in Europe, particularly against the background of the current economic crisis," said Tommy Persson, president of the CEA.

"The CEA is delighted with the De Larosière Group's recommendation that the proposed Solvency II Framework Directive, which will create an appropriate regulatory framework for Europe's insurers, be adopted by May," said Persson. "We also welcome the recommendation that the Directive should include a group support regime and a binding mediation process between insurance supervisors."

The CEA believes that supervisory cooperation at European level is still incomplete and that the proposed Solvency II Framework Directive - in the original form created by the European Commission - is the appropriate legislative tool to address the shortcomings of the current regulatory framework for insurance.

If Solvency II is adopted without compromising its key principles of harmonised, risk-based regulation, it has the potential to be a global role model. The European Union would be the first region in the world to bring the supervision of insurers into line with their economic reality.

"The CEA also supports the De Larosière Group's recommendation that a more harmonised and consistent set of supervisory powers should be developed at European level and that the Committee of European Insurance and Occupational Pensions Supervisors (Ceioops) should benefit from a reinforcement of its role and an urgent and significant increase in resources," said Persson.

"The CEA will now analyse in detail the Group's report, including the more far-reaching proposal of the creation of a European Insurance Authority," added Persson.

Background

The independent High Level Group on financial supervision (De Larosière Group) was set up by European Commission President José Manuel Barroso in 2008. Its mandate was to make recommendations to the Commission on strengthening European supervisory arrangements in all financial sectors, with the objective of establishing a more efficient, integrated and sustainable European system of supervision and of reinforcing cooperation between European supervisors and their international counterparts.

The Group's findings are to be taken into account by the Commission as it prepares for the European Council of heads of state and government on 19-20 March.

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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.