

To: Solvency II WG, Public Affairs & Communications Committee  
From: Prudential Team  
CC:  
Date: 12-03-2025  
Reference: [Click or tap here to enter text.](#)  
Subject: Industry views on the EGBPI topics under discussion – Meeting 17 March

## Members' input requested

The secretariat has prepared high-level industry views on the topics under discussion during the 17 March EGBPI meeting.

**Members are requested to reach out to their respective ministries ahead of the EGBPI meeting on 17 March supporting the industry positions outlined below.**

Members can share additional feedback on the EGBPI topics or the responses below by emailing to [prudential@insuranceeurope.eu](mailto:prudential@insuranceeurope.eu), **by Thursday 13 March COB.**

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## Key industry views on the topics under discussion during 17 March EGBPI

### **Agenda item 1: Solvency II review – Foreseeable dividends** (paper [here](#))

- Should the Delegated Regulation define what a foreseeable dividend is and specify how to calculate it for the purpose of Article 70 of the Solvency II Delegated Regulation?
  - **Industry position:** The industry stresses the importance of a suitable definition for “foreseeable dividends”, which should clarify less ambiguously that foreseeable dividends may build up gradually over the year, in accordance with each company’s profit development and dividend policy.

### **Agenda item 2: EIOPA’s advice and opinion – proportionality, CCPs and natural catastrophes** (paper [here](#))

I. Advice on Proportionality measures (*IE [response](#) and [assessment](#) of final advice*)

#### ***Proportionality measures for non-SNCUs***

- **The 17 conditions put forward by EIOPA are seen as overly complex – Do you have any suggestions to streamline the proportionality regime for non-SNCUs?**

- **Industry position:** Insurance Europe states criteria should serve as **non-binding guidance**, not rigid thresholds, ensuring flexibility and a broad risk-based application of proportionality across the diverse European market.
  - The industry does not support the quantitative thresholds
- **Waiver of the mandatory deferral of the variable component of remuneration**
- **Industry position:** The industry strongly believes that the Delegated Regulation should follow EIOPA's opinion on the supervision of remuneration principles in the insurance and reinsurance sector, which effectively implements the proportionality principle by exempting individuals whose annual variable remuneration is EUR 50,000 or less and represents no more than one-third of their total annual remuneration, without further conditions.
- **Any other proportionality measures to propose**
- **Industry position:** The insurance industry emphasises that the Solvency II framework allows any (re)insurer to apply to its NSA for the use of proportionality measures suited to its specific risk profile. This flexibility is a fundamental part of the framework and must be preserved to accommodate a variety of business models.

## II. Natural catastrophes (Nat Cat) (*IE [response](#) and [assessment](#) of final advice*)

- The opinion proposes recalibrations to the SF scope and parameters for certain countries and perils covered in the Nat Cat SF.
  - **Industry position:** Insurance Europe **supports** the recalibration for:
    - Flood – Denmark
    - Hail – France
  - **Industry position:** Insurance Europe **does not support** the recalibration for:
    - Earthquake – Germany, Romania
    - Flood – Poland, Germany, Sweden, Finland, Netherlands
    - Windstorm – Martinique, St-Marti, La reunion,
    - Hail – Germany
    - Subsidence – France, Belgium
- For flood, the scope of the standard formula is propose to be extended by adding additional countries, NO, SE, FI, DK and the NL.
  - **Industry position:**
    - The introduction for **Denmark** is supported.
    - Industry agrees that there is a need to recalibrate the parameters for flood in Sweden and the other Nordic countries. But the resulting capital charges for floods **seem high in Sweden and Finland** in relation to historical loss data. It is premature to include calibrations for **Netherlands** flood risk given the uncertainty regarding the possible future public-private scheme.
- For subsidence, Belgium is proposed to be added as a new country:
  - **Industry position:** The calibration for subsidence risk in **Belgium** should be lowered. Subsidence risk is limited to certain regions due to geography.

**Agenda item 3: Solvency II review – Follow-up on reporting and disclosure** (paper [here](#))

**General Industry position:**

**Given the Commission’s ambition to reduce the regulatory burden by 25%, streamlining the RSR and SFCR presents a key opportunity to support this objective and eliminate overlaps in reporting and disclosure requirements.**

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I. SFCR

■ **Information targeted at policyholders and beneficiaries**

- What are experts’ views on the illustrative example included in Annex 1 (the part of the SFCR targeted at policy holders and beneficiaries)?

**Industry position:**

- The industry welcomes the explicit reference to the usage of internet links to the relevant part of the public reports.

- What are experts’ views on the industry’s proposal to limit the number of pages of the part of the SFCR consisting of information targeted at policy holders and beneficiaries?

**Industry position:**

- The industry strongly supports the suggestion that the report shall not exceed two pages.

■ **Information targeted at market professionals**

- What are experts’ views on the illustrative example included in Annex 2 (*linking existing provisions of the DA to the new content of the SFCR*)? Do experts see opportunities to further streamline disclosure requirements?

**Industry position:**

- Sustainability-related information should be limited to what is strictly necessary for supervision. Where relevant, insurers should be able to reference existing sustainability reporting, such as those under the CSRD, to avoid duplication.
- The industry welcomes the explicit reference to the usage of internet links to the relevant part of the public reports.

- What are experts’ views on the industry’s proposal to streamline requirements for narrative information where quantitative information is available in quantitative reporting data? If you support the industry’s suggestion, please identify concrete cases where narrative information could be deleted.

**Industry position:**

- The industry strongly supports the usage of quantitative information as a way to streamline narrative information. The disclosed QRTs are the most relevant, therefore, narrative information in the SFCR part for market professionals should be kept at a minimum.
- The industry supports the approach of requiring only updates on previous years or material information, rather than reporting all information annually. This principle could be further expanded to enhance efficiency and reduce unnecessary reporting burdens.

■ **Follow-up to the discussion on long-term equity**

- What are experts' views on the updated illustrative example of possible disclosure requirements in relation to long-term equities (See Annex 2 – illustrative example Article 297(3))1.?

**Industry position:**

- If reporting on LTE usage is required, it needs to be limited to the strict minimum.

II. RSR

■ **General discussion**

- What are experts' views on the illustrative examples included in Annex 4 regarding the individual RSR? Do experts see opportunities to further streamline reporting requirements, taking into account the requests from the insurance industry?

**Industry position:**

- Similar as for the SFCR it should be possible to make use of references/links to already available reports.
  - Reducing duplication with ORSA is welcomed by the inclusion of "*where the same information is not included in the ORSA supervisory report*", further specification could be added as to what information is explicitly requested.
  - The industry strongly supports the usage of quantitative information, available in the QRTs as a way to streamline narrative information.
- What are experts' views on the industry's request not to include a requirement for reporting on material changes during interim years in relation to the RSR?

**Industry position:**

- The industry strongly supports to not include a requirement for reporting on material changes during interim years in relation to the RSR

■ **LTE**

- What are experts' views on the updated illustrative example of possible reporting requirements in relation to long-term equities (See Annex 4 – illustrative example Article 311(3))?

**Industry position:**

- If reporting on LTE usage is required, it needs to be limited to the strict minimum. Additionally, the industry does not see a need to disclose additional information for a subset of insurers.