

To: Insurance Europe Solvency II WG, CFO Forum and CRO Forum
From: Insurance Europe Prudential Team
cc: Insurance Europe Economics & Finance Committee
Date: 21-03-2025
Reference: ECO-SLV-25-117

Subject: Meeting with Director General DG FISMA John Berrigan – Solvency II

Summary

On 19 March 2025, industry representatives met with Director General of DG FISMA, John Berrigan, following the joint letter on Solvency II from Insurance Europe, the CFO Forum and the CRO Forum ([ECO-SLV-25-111](#)). This memo includes key takeaways and a summary of discussions.

Attendees

- Carolina Otero (Chair CRO Forum) - CO
- Thea Utoft (DG Insurance Europe) - TU
- Angus Scorgie (Insurance Europe) - AS
- Paul Schere (DG FISMA) - PS
- John Berrigan (DG FISMA) - JB

Key takeaways:

Overall, the meeting was very positive. Commission was receptive to industry positions on Solvency II, noting that its proposals would reflect that we are in a growth friendly phase.

Solvency II

- Commission highlights that we are in a “growth friendly” regulatory phase and this will be reflected in the Commission’s Level 2 proposals. This is supportive of the industry positions, however, proposals need to also reflect the prudential nature of Solvency II.
- Insurer’s current and potential investments in venture capital, infrastructure, securitisations etc. remain significant points of interest. Understanding how allocations to these assets may be affected by regulatory changes and capital reliefs is important.
- On sustainability risk plans, the Commission has already been gone quite far in its Omnibus proposals. It recognises that the industry’s views on the topic and the need for an effective implementation.
- The timelines for the S2 review are not expected to be materially changed because of the SIU proposals and workstreams (but this is still to be fully confirmed).

SIU

- Commission recognise that insurers have a role to play and welcomed further input from the industry on the RIS and other retail investment issues.

Summary of discussions:

Introductory comments

- TU gave introductory comments, outlining the importance of S2 to insurance industry and the need to have the Level 2 technical details aligned to the political agreement.
- She also welcomed the Commission’s SIU communication and proposals and more generally the Commission’s move towards competitiveness.
- JB noted that the Commission is awaiting the reaction of stakeholders to its SIU proposal but that there remains much for the Commission to do and it will start work immediately.
- On the SIU proposals, JB highlighted:
 - Commission has opted for a different approach to previous CMU action plans.

- The new proposals require members states to be more active eg on retail participation.
- It has avoided a long list of actions – instead have grouped actions in to 4 thematic blocks - the “Citizens and Saving” and “Investments and Financing” themes are most relevant for insurance sector.

Solvency II

- AS and CO provided an overview of the industry requests and positions on the key topics outlined in the joint industry letter, namely:
 - risk correction,
 - risk margin,
 - extrapolation of RFR,
 - long-term equity and
 - sustainability risk plans.
- JB noted that the regulatory environment is focused on a growth friendly phase and the Commission is working towards reflecting this in the Solvency II proposals without “surrendering” the prudential nature of Solvency II.
- JB enquired whether the industry was united on the proposals included in the paper, highlighting that the member states have diverging views on the different proposals.
 - AS confirmed that the proposals represented a united industry position.
- He reiterated also that the supervisory view was often conflicting with the industry view and the Commission were usually somewhere in the middle.
- Regarding the potential capital release, JB agreed that it was the Commission’s intention to release capital. He noted the challenge for the Commission is to understand how much of the capital released would be directly invested in growth assets eg equities, venture capital, infrastructure and how much would be invested in the economy via more traditional investments or how much may find its way to help growth via capital fungibility.
 - In response, CO highlighted that the capital often helps companies invest in their operations helping to deliver more products and building the businesses. This in turns increases allocations as the company balance sheets also grow.
 - AS and TU also noted that companies had signalled a willingness to increase investments in growth assets if the opportunities presented themselves.
- JB asked about insurer’s interest in securitisations and how the industry viewed recalibrations to the capital requirements.
 - AS highlighted that the regulatory barriers were only part of the solution but that there had been interest from insurers in this asset class. However, discussions in industry had not matured to discussing specific calibrations.
- On sustainability risk plans, JB noted that the Commission had made quite robust proposals in the Omnibus. Commission had not sought to delete the SRP requirement in the first Omnibus as it would reopen another directive. Discussions in Parliament are already expected to be challenging and there was less buy-in on the simplification proposals from member states.
- However, JB recognised the industry’s concerns about SRPs and also recognised the Level 1 text was not fully clear. It is currently in the hands of the supervisors who also have vested interests in the file (note that this comment seemed to be more focused on the banking side).
- On the idea of applying the “stop the clocks” approach to the SPR as suggested by Petra Hielkema, JB noted that this approach is an attractive short-term solution but there is moral hazard introduced as the STC initiative removes the incentive for co-legislators to simplify quickly creating additional uncertainty for companies.

SIU/Retail investments

- JB enquired about the industry’s latest position on the RIS, noting that the RIS will likely not deliver the intended outcome of increasing retail participation in financial markets.
- TU confirmed that industry has a number of proposals to improve the RIS and would be happy to follow up with Commission on these in subsequent discussions.