

To: Solvency II WG  
From: Prudential team  
cc:  
Date: 16-07-2025  
Reference: ECO-SLV-25-271

Subject: EIOPA Guidance on Mass-Lapse Reinsurance and Termination Clauses

## Summary

On 15 July, EIOPA published two annexes to its 2021 Opinion on the use of risk-mitigation techniques by insurance undertakings following the close of a public consultation on this topic earlier this year, addressing:

- **Mass-lapse reinsurance** ([here](#)): The annex provides detailed guidance to supervisors on assessing whether the capital relief from mass-lapse reinsurance is commensurate with the actual risk transfer, focusing on key elements such as:
  - Measurement period: A (rolling) 12-month measurement period is expected as the default approach, in line with the SCR time horizon.
  - Exceptions: Longer measurement periods may be justified in exceptional cases, where longer mass-lapse events are especially likely due to an undertaking's specific business profile. EIOPA will monitor the use of this clause through a dedicated peer review to ensure consistent application and fair competition.
  - Reinsurance recoverables and risk margin: The annex provides guidance on how mass-lapse reinsurance treaties impact reinsurance recoverables and the risk margin.
  - Supervisory expectations: Includes expectations regarding the reporting of mass-lapse reinsurance and considerations from the reinsurer's perspective.
- **Reinsurance agreements' termination clauses** ([here](#)):
  - Focuses on clauses that may undermine effective risk transfer, notably provisions allowing reinsurers to unconditionally retain transferred assets or premiums upon termination while being released from obligations.

## Next steps

- The secretariat is currently reviewing these publications together with the broader set of documents released by EIOPA over the past weeks.
- The secretariat will follow up next week with an assessment, comparing the published work against Insurance Europe's consultation responses and highlighting key industry implications.