

To: IGS Project Group  
From: Philippe Angelis, Olav Jones  
cc:  
Date: 20-01-2021  
Reference: EXCO-IGS-21-001  
  
Subject: Solvency II 2020 review - IGS advice discussion

Following the publication of the EIOPA Solvency II 2020 review, the secretariat is seeking to develop its views with members regarding EIOPA's final opinion on IGS, as part of its work to develop a clear lobby position and strategy for the next phase of the Solvency II Review: the Commission's process to draft their proposals for legislative changes.

The secretariat preliminary assessment of the EIOPA advice on IGS can be found in annex. The secretariat would like to organise a call with the IGS project group **on Tuesday 26 January at 10.00 CET** to discuss members' views and agree on our position going forward.

All the documents regarding the **EIOPA Opinion on the SII 2020** review can be found on the page [here](#). Please note that EIOPA published several documents:

- Opinion ([link](#))
- Background analysis ([link](#))
- Background impact assessment ([link](#))

As per usual, please be reminded to register your participation to the meeting on the extranet on the IGS Project Group page [here](#).

Annex: Preliminary assessment of EIOPA advice on IGS

<b>IGS</b>	<b>Bad</b> , because EIOPA advises that all MS should have a national IGS and recommends minimum harmonisation of national IGSs at EU level. The EIOPA proposals allow for some flexibility at MS level and includes a number of points in line raised in our response.		
	Positive elements	Mixed / Unclear / Neutral elements	Negative elements
	<ul style="list-style-type: none"> <li>■ Legal structure of the schemes left to the discretion of MS.</li> <li>■ Appropriate target level for funding of IGSs should be defined across MS and accompanied by a suitable transition period to avoid major disruptions to the industry.</li> <li>■ Disclosure requirements in accordance with the requirements set out in Article 8(3)(e) of the PRIIPs Regulation.</li> <li>■ Introduction of upper limits to the annual contributions made by an individual insurer or from the industry as a whole.</li> <li>■ Proportionate disclosure requirements and not be used as a marketing tool.</li> </ul>	<ul style="list-style-type: none"> <li>■ Geographical coverage of national IGSs harmonised based on the home-country principle to align with supervision, but we suggested having the host have a role.</li> <li>■ Covers natural persons but also included micro-sized legal entities (ie policyholders and beneficiaries).</li> </ul>	<ul style="list-style-type: none"> <li>■ All Member States should have a national IGS in place.</li> <li>■ IGSs to cover specific life and specific non-life policies (claims and contract related protection) – flexibility at MS level to identify policies covered.</li> <li>■ IGS funding on the basis of ex-ante contributions</li> <li>■ Coverage level -MS to guarantee up to 100% of a certain amount (eg €100k) for selected eligible policies associated to social hardship.</li> <li>■ No level playing field with IORPs as IGS for occupational pensions under Solvency II.</li> </ul>