

To: ECOFIN, Solvency II WG, LTI PG
From: ECOFIN Team

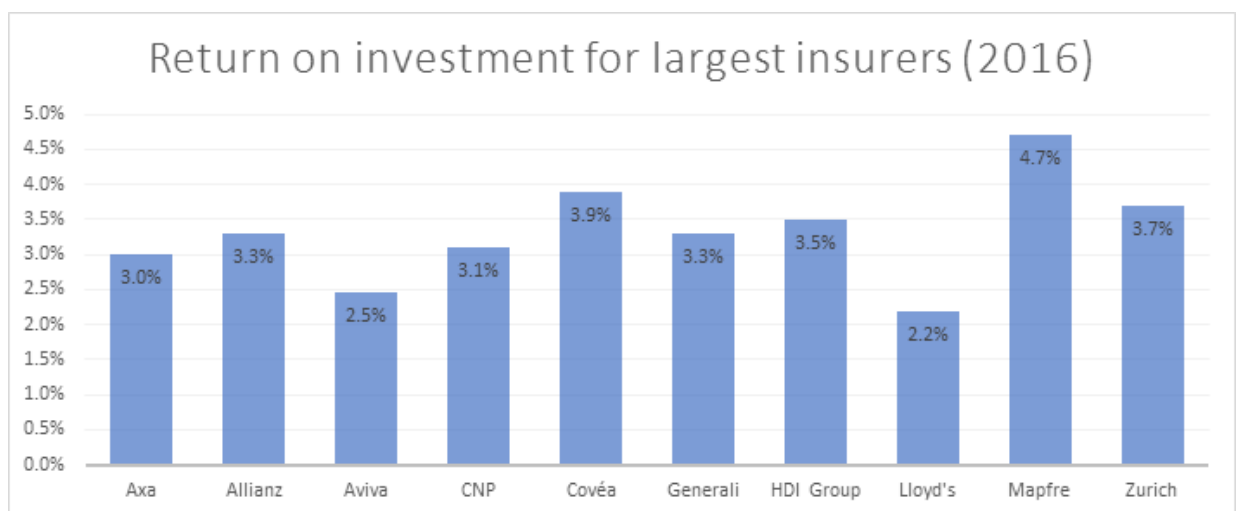
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Subject: Analysis on actual returns on investment earned by insurance companies

Summary

Following the Ecofin mandate, the secretariat has worked on an internal analysis, looking into a range of SFCRs, annual reports and presentations for investors and analysts in order to collect information on the return of investments earned by insurance companies.

The graph below provides an overview of the **return on investment** for the largest European insurers in 2016.



The results clearly show that the average return on investments insurers were earning in 2016 is well above the Solvency II discount rates for liabilities (eg 0.7% for 10-year RFR with VA for December 2016).

Looking ahead, the secretariat will use such anecdotes in its engagements on the LTG measures.