Memo for action

To: Solvency II Working Group
From: Prudential Team

Date: 04-05-2017
Reference: ECO-SLV-17-074

Subject: EIOPA CAT WS - Minutes and outcome of April meeting

Summary

Following the conclusion of the April meeting of the EIOPA Catastrophe Workstream (CAT WS), EIOPA have circulated draft minutes (see ECO-SLV-17-075) and a presentation (see ECO-SLV-17-076) summarising feedback on the catastrophe risk questions in the discussion paper.

Members are invited to provide feedback on any developments or where written comments are requested in the minutes. The secretariat would specifically welcome input on the fire risk proposal and health cat risk proposals. This should be sent to prudential@insuranceeurope.eu **by 10 May 2017.**

Background

As previously communicated with members (see ECO-SLV-17-063), the first meeting of the CAT WS was held on 27 April 2017. The discussion focussed on the proposals for simplifications put forward by EIOPA and was followed by presentations on the calibrations of earthquake risk in Greece and Slovakia (see ECO-SLV-17-064 for background documents).

A summary of discussions is as follows:

- For nat cat, there was support for optional simplifications achieved by reducing the granularity up to country level and through disaggregation of exposure to individual market share. These are to be investigated further by the members of the CAT WS.
- The health cat proposals were discussed but limited feedback was provided and additional written comment is requested.
- The calibration and complexity of calculation of the fire risk submodule was the central discussion point for the man-made cat proposals. Further analysis of the proposals is to be undertaken.
- The presentations on earthquake risk suggest that the existing calibrations for some regions may be erroneous.

Prudential Team •
Insurance Europe aisbl • Rue Montoyer 51, B-1000 Brussels
Tel: +32 2 894 30 00 • Fax: +32 493 256301
E-mail: prudential@insuranceeurope.eu
www.insuranceeurope.eu