

To: Solvency II Working Group
From: Prudential Regulation
cc:
Date: 24-03-2017
Reference: ECO-SLV-17-046

Subject: Launch of EIOPA catastrophe risk workstream

Summary

Following the launch of their catastrophe risk workstream (CAT WS), EIOPA have communicated their proposed process and timeline for the work requested of the nat cat expert group. The CAT WS will focus on two key areas of the review of the standard formula, simplifications and recalibrations. The expert group is scheduled to meet monthly between April and September and is expected to contribute work to be used in a public consultation beginning in November.

As a reminder, this WS includes representatives from both industry and supervisory communities. The representative from Insurance Europe is Olav Jones (shadowed by Angus Scorgie).

Insurance Europe invites members of the Solvency II WG to join an exchange of views on Friday, 21 April, 11:00-12:00 CET (please register participation [here](#)). Given the technical/detailed nature of the CAT WS, members are invited to extend invitations to this call to experts from their markets.

Background

EIOPA recently announced the creation of a CAT WS to assist the review of the standard formula for nat cat risk. In its first preparatory conference call, EIOPA provided an explanation of the organisation of the CAT WS, the process it would follow and the scheduled timeline, including:

- The CAT WS supports the work of the SCR Review Project Group with technical expertise for catastrophe risks. The SCR Review Project Group reports directly to the Insurance Policy Committee at EIOPA, who in turn prepare the decisions to be taken by the Board of Supervisors (BoS).
- The expert group will initially assist with the development of simplifications to the standard formula for natural catastrophe risk submodules and subsequently with any necessary recalibrations.
- Due to time constraints, work will be prioritised based on the materiality of different risks.

Overview of key dates in timeline

- 27 April, 18 May, 22 June, 13 July, 24 August, 14 September – physical meetings of CAT WS group
- 26 October – EIOPA BoS discussion/decision on consultation paper
- 3 November – start of eight-week public consultation
- 25 January 2018 – final physical meeting of CAT WS group
- End of February 2018 – EIOPA BoS decision on final technical advice

Next steps

- Members invited to join call on EIOPA CAT WS on Friday, 21 April, 11:00-12:00 CET (please register participation [here](#))