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Executive Director

Mairead McGuinness
Commissioner for Financial Services,
Financial Stability and Capital Markets Union
European Commission
1049 Brussels
Belgium



11 June 2021

2020 review of SII: Communication re amendment to background impact assessment

Dear Ms McGuinness,

I write with reference to EIOPA's Opinion on Solvency II, submitted to the European Commission on 17 December 2020, and particularly with regard to some elements of the background accompanying quantitative impact assessment.

The calculation of the projected impact of the mechanism for the introduction of the extrapolation method contained an unsuitable data input, which led to incorrect estimates of the impact of the mechanism for the German market early 2023 and early 2032. It also had consequences for the projected estimates for the European Economic Area and in relation to member states whose impact was derived from the projected estimate for the European Economic Area. The estimates concerned, including also in relation to the volatility adjustment where relevant, are presented in tables 47, 48 and 49 of the background impact assessment attached to our Opinion.

As a result, we have revised our impact assessment, thereby excluding the unsuitable data input from the markets concerned. The revised impact assessment is attached.

I would like to underline that the revised figures do not modify the overall assessment of the impact of EIOPA's Opinion in 2019 and mid-2020, and thus our Opinion remains unchanged.

We remain at your disposal for any further information you may require.

Yours sincerely,

Fausto Parente