

EIOPA publishes third annual report on the use of limitations and exemptions from reporting under Solvency II

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The European Insurance and Occupational Pensions Authority (EIOPA) published today its third annual report on the use of exemptions and limitations from the regular supervisory reporting during 2017 and Q1 2018 by national competent authorities (NCAs) under Solvency II.

The report addresses the proportionality principle on the reporting requirements, from which the limitations and exemptions on reporting - as foreseen in Article 35 of the Solvency II Directive - are just one of the existing proportionality tools. Reporting requirements also reflect a natural embedded proportionality and in addition risk-based thresholds were included in the reporting Implementing Technical Standard (ITS).

In total 27% of the undertakings are allowed a limited quarterly reporting with the market share of such undertakings varying between 0% and 14.6% for non-life Gross Written Premiums and between 0% and 4.5% for life Technical Premiums. At country level, the top three countries allowing exemptions by number of undertakings are Luxembourg, France and Norway with 70%, 67% and 64% respectively. Looking at the exemptions in terms of total assets, however, a different picture emerges: Liechtenstein ranks highest, followed by Malta and France with 7.1%, 6.5% and 5.4% respectively.

However, these numbers need to be read in the context of the additional proportionate and risk-based approaches in reporting.

The Report presents two different examples for quarterly templates that give evidence that the different tools used to apply proportionality in reporting

complement each other and result in a proportionate and risk-based approach. In the cases presented only 26% and 23% of the undertakings, for derivatives and look-through templates respectively, reported the templates quarterly.