

# Report on long-term guarantees measures and measures on equity risk 2020

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This report on the LTG measures and the measures on equity risk is the fifth and last annual report.

The LTG measures are the extrapolation of risk-free interest rates, the matching adjustment, the volatility adjustment, the extension of the recovery period in case of non-compliance with the Solvency Capital Requirement, the transitional measure on the risk-free interest rates and the transitional measure on technical provisions. The equity risk measures are the application of a symmetric adjustment mechanism to the equity risk charge and the duration-based equity risk sub-module.

This year's results show that most of the measures are widely used. 651 (re)insurance undertakings in 21 countries with a European market share of 80 % use at least one of the following voluntary measures:

- The matching adjustment
- The volatility adjustment
- The transitional measures on the risk-free interest rates
- The transitional measures on technical provisions
- The duration-based equity risk sub-module

*The Solvency II Directive requires a review of the long-term guarantees measures (LTG) and the measures on equity risk until 1 January 2021. As part of this review, EIOPA reports annually on the impact of the application of the LTG measures and the measures on equity risk to the European Parliament, the Council and the Commission.*



