



EIOPA publishes information on the use of limitations and exemptions from reporting under Solvency II

NEWS
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The European Insurance and Occupational Pensions Authority (EIOPA) published today its annual report on the use of exemptions and limitations from the regular supervisory reporting by national competent authorities (NCAs) under Solvency II, during 2019 and Q1 2020.

Regarding quarterly reporting in Q1 2020, twelve NCAs granted limitations to 833 solo undertakings and four NCAs granted limitations and exemptions to 55 groups.

Regarding annual reporting for solo undertakings, five NCAs granted limitations and exemptions from reporting using the item-by-item templates to 125 solo

undertakings in 2019 and one NCA granted limitations and exemptions from annual reporting to six groups in 2019.

The limitations and exemptions on reporting foreseen in Article 35 of the Solvency II Directive are a concrete proportionality measure in reporting requirements. However, they should not be seen as the only proportionality measure. Reporting requirements also reflect a natural embedded proportionality directly connected to the nature, scale and complexity of the business. In addition, risk-based thresholds are included in the reporting Implementing Technical Standard.

This report, following the approach taken last year, evidences through an example how proportionality is implemented in the reporting reflecting the nature, scale and complexity of the risks inherent to the business, in this case the number of templates reported by different sized companies. Nearly twice as many templates are reported from large undertakings than from smaller ones for quarterly reporting and on an annual basis, the 10 largest undertakings by total assets had to fill in on average 36 templates, while the 10 smallest undertakings had to complete only 26 templates in total. However, it should be noted that the numbers referred do not take into account the complexity of the business such as number of lines of business or different currencies. If considered, it would increase the gap in the number of templates to report even further.

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