



Supervisory statement on supervisory practices and expectations in case of breach of the Solvency Capital Requirement

NEWS

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The European Insurance and Occupational Pensions Authority (EIOPA) published today the [statement on supervisory practices and expectations in case of breach of the Solvency Capital Requirement \(SCR\)](#).

With this supervisory statement EIOPA aims to foster supervisory convergence in the situations where insurance and reinsurance undertakings breach their capital requirement, in particular addressing the recovery plan required. The supervisory practices in such situations need to be flexible and should consider the specific situation of the insurance or reinsurance undertaking. However, it is important that when certain triggers are reached, such as non-compliance with the SCR, convergent approaches are applied to ensure a similar protection of policyholders

and beneficiaries across Europe.

The ongoing uncertainty could lead to breaches of SCR in the future. Solvency II allows supervisory authorities to take early actions, therefore acting promptly to ensure supervisory convergence in this area is needed.

The statement is accompanied with the [resolution of comments](#) from the public consultation, the [feedback statement](#) to stakeholders and the [impact assessment](#) developed based on the input provided during the consultation period.