

# Q&A

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## Question

I'm researching Solvency II, in concrete about the windstorm submodule. I'm following the nat cat standard formula but, I don't know how to get to the risk factor for the region (for the Spain region), I want to be able to get the number by myself. I would like, you explain to me how to get that factor in the most accurate way. Thank you.

## EIOPA answer

The nat cat parameters for Windstorm Spain have been recalibrated in 2018. The information EIOPA can share on this recalibration can be found in "EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation".

In general to do any nat cat recalibration, EIOPA uses the expertise of various stakeholders from the Cat risk modelling community (cat models vendor representative, industry representative, academics...).

For each parameter, commercial cat models were run to obtain potential loss estimations. These loss estimations were then used to derive for example the country factor for Spain Windstorm. The Experts discussed the proposed

calibration values against the background of additional information on the models that were used to calculate the proposed parameter value, such as a country risk factor for a given scenario. At this stage, expert judgement is key in order to take into consideration issues such as recent changes in local policy conditions, improvement of infrastructure reducing the risk and comparison with internal model results were considered. The subsequent results were discussed by EIOPA's members and shared with national insurance associations for consultation. Their feedback was processed by EIOPA and, where appropriate, has been reflected in the final proposal.

In the case of the Spanish Windstorm scenario additional model input was provided in order to take into account the specificities of the Spanish 'Consortio de Compensación de Seguros'. Please refer to section "Annex to chapter 6 - Spanish Windstorm country factor recalibration" in EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation.