Press Release

21 March 2012

Insurers seek further improvements to Omnibus II text

Highlight outstanding issues for insurers and policyholders in Directive text

Brussels, 21 March 2012: Insurance Europe has expressed disappointment over provisions relating to long-term guarantees in the Omnibus II Directive approved by the European Parliament's economic and monetary affairs committee today. It nevertheless recognises that they will make it possible for the European Parliament, Council and Commission to engage in trialogue discussions on this crucial issue.

"We urge the negotiators to ensure that insurers can continue to provide guaranteed savings products at a reasonable price for consumers," said Michaela Koller, director general of Insurance Europe.

We recognise that the current text contains the package of measures that could, in principle, ensure that risks are correctly measured and avoid artificial balance sheet volatility but regret that it currently includes inappropriate restrictions that would prevent these measures from working as intended.

"Such a situation could lead to unnecessary increases in the costs of complementary pensions and other retirement savings products for consumers and could drive the European insurance industry to move away from long-term guarantee products as a result of regulation, rather than any underlying reasons related to the economy or the risk," said Koller.

Insurance Europe also calls on the trialogue parties to enable the European insurance industry to remain competitive in the global market by ensuring that the equivalence provisions for third-country regimes under Solvency II are workable.

At the same time, Insurance Europe welcomes the approval today of appropriate provisions in relation to non-life and health insurance. We hope to see these included in the final Omnibus II Directive.

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Background

The EU's Solvency II Framework Directive — "Level 1" — was agreed in 2009. Since then, work has focused on the "Level 2" implementing measures, which put the detail on to the framework. However, the Omnibus II Directive needs to be passed before the Level 2 implementing measures of Solvency II are agreed. This is because Omnibus II makes changes to Level 1, reflecting developments such as the EU reforms in the Lisbon Treaty. The European Parliament's Economic and Monetary Affairs (ECON) Committee voted on Omnibus II today, 21 March. Trialogue negotiations on the Directive will now take place between the European Parliament, Council and Commission.

A "split" implementation of Solvency II is planned, with transposition of the legislation into national law scheduled for 1 January 2013, followed by entry into force on 1 January 2014.

Notes for editors

1. For further information please contact Janina Clark, head of communications & PR (tel: +32 2 894 30 70, clark@insuranceeurope.eu).
2. Copies of all Insurance Europe press releases are available on the Insurance Europe website (www.insuranceeurope.eu).
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of over €1 100bn, employ nearly one million people and invest almost €7 500bn in the economy.