

RAB response to EIOPA's consultation paper on criteria for selecting insurers to run macroprudential analyses

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The Insurance Europe Reinsurance Advisory Board (RAB) welcomes the opportunity to provide comments to EIOPA's consultation paper on the proposal for Regulatory Technical Standards (RTS) on criteria for selecting insurers to run macroprudential analyses.

The RAB supports the positions of the wider industry and the comments provided by Insurance Europe in its response to the consultation. From the RAB's perspective, the following aspects of the industry response are most important:

■ **The RAB supports an opt-in rather than an opt-out approach.**

- The new Article 45(1)(e) of the Solvency II Directive sets out that the macroprudential considerations are to be integrated in the Own Risk and Solvency Assessment (ORSA) "upon a reasoned request of the supervisory authority". In the RAB's view, this should be implemented as qualitative rather than quantitative criteria to ensure a proportionate approach.
- The application of an arbitrary threshold does not support the Solvency II Directive's intent for a **reasoned** request of the supervisory authority being required. The RTS should make an explicit reference to the necessity for National Competent Authorities (NCAs) to issue individual requests along with the risk-based assessment justifying it.
- The RAB would suggest the following amendment to Article 2(1): *"For the purposes of identification of the insurance or reinsurance undertakings and groups to be requested to carry out macroprudential analyses in the own risk and solvency assessment, supervisory authorities shall include, **upon individual requests communicating for each of them the risk-based assessment for inclusion with regard to the criteria set out in paragraph 3 of this article and the proportionality principle**, the following insurance and reinsurance undertakings and groups"*.
- In general, the RAB considers that reinsurers that do not have a strong link to capital markets should not be in scope.

- In addition, **the RAB notes that certain criteria are very general and could benefit from some additional clarification** as to why they are relevant criteria for assessing whether a company should run additional macroprudential analyses. These include Article 2, paragraph (4) b) and d).

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Through its member bodies, the RAB represents more than 50% of total worldwide reinsurance premium income. The RAB promotes a stable, innovative and competitive market environment. It further promotes a regulatory and trading framework that facilitates global risk transfer through reinsurance and other insurance-linked capital solutions.