Pills

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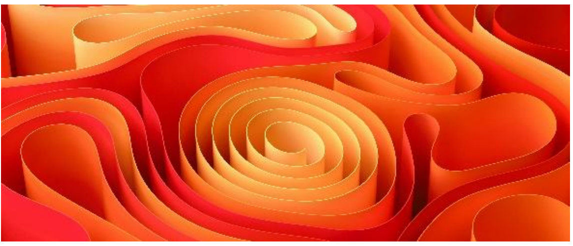

TOPICS:

Insurance

SOURCE:

European Insurance and Occupational Pensions Authority

EIOPA Completes Solvency II Review Mandate with Final Guidelines and Draft Technical Standards Before Revised Framework Takes Effect Early Next Year

- The EIOPA has completed its Solvency II Review mandate by publishing **eight sets of guidelines and draft technical standards to support implementation of the revised prudential framework (Solvency II)** for insurers; the package includes new Guidelines on liquidity vulnerabilities, a Regulatory Technical Standard (RTS) on the simplified calculation of the risk margin and revisions to existing Guidelines and Implementing Technical Standards (ITS). These measures, together with the wider Solvency II reforms, will apply from **30 January 2027**.
- **A key development** is the introduction of supervisory guidance on addressing deficiencies in insurers' **liquidity risk management**, including the circumstances in which supervisors may intervene and, in exceptional cases, temporarily suspend policyholders' redemption rights. The revised framework also introduces a time-dependent "lambda factor" into the **risk margin calculation** to better reflect long-term risks, reduce the risk margin for long-term liabilities, and lessen its sensitivity to interest rate changes. Related technical standards and valuation guidelines have been updated accordingly.
- **Further revisions** concern the matching adjustment, group solvency, reporting, disclosure, and supervisory templates, ensuring consistency with the amended legal framework while simplifying existing guidance. The draft technical standards have been submitted to the European Commission for adoption, supporting the consistent application of the revised Solvency II framework across the EU.