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Press Release

EIOPA LAUNCHES THE LONG-TERM GUARANTEE ASSESSMENT

- *The Long-Term Guarantee Assessment (LTGA) aims at testing various approaches towards those Solvency II measures related to long-term guarantees provided by life insurers and, to the extent relevant, by non-life insurers;*
- *Insurance undertakings should follow the technical specifications published today by EIOPA;*
- *The exercise will last 9 weeks and a report, with the LTGA technical findings and EIOPA's conclusions, will be published in the second half of June 2013;*
- *Participation in the LTGA is not mandatory for all insurers, but wide participation has been encouraged.*

Frankfurt, 28 January 2013 – The European Insurance and Occupational Pensions Authority (EIOPA) launched today a technical assessment of the long-term guarantee (LTG) package agreed by the Trilogue parties (the European Parliament, the Council of the EU and the European Commission) in the context of the Omnibus II Directive negotiations. Its aim is to test various options contained in the Solvency II LTG measures in order to assess the effects that the implementation of such measures may have on: policyholders and beneficiaries, insurance and reinsurance undertakings, supervisory authorities and the financial system as a whole.

The assessment will focus on the evaluation of the following key features (individually and in combination): adapted relevant risk-free interest rate term structure ("Counter-cyclical Premium"); extrapolation; matching adjustment ("Classic" and "Extended"); transitional measures; and extension of the "Recovery Period".

In providing quantitative data for the purposes of this assessment, insurance undertakings should follow the Technical Specifications published today by EIOPA:

<https://eiopa.europa.eu/consultations/qis/insurance/long-term-guarantees-assessment/index.html>

Insurance undertakings will have until 31 March 2013 to carry out their estimation of the impact of the measures covered in the LTGA. In the course of April and May the data submitted by insurance undertakings will, first, be validated by the national competent authorities (NCAs) and, then, be analysed by EIOPA at the EU level. The report presenting the technical results of the LTGA exercise together with EIOPA's conclusions is planned to be published in the second half of June 2013.

The assessment covers life as well as non-life insurance companies in the different national markets. The sample captures a range of undertakings of diverse size and nature.

Gabriel Bernardino, Chairman of EIOPA, said: "EIOPA's independent supervisory assessment will provide a reliable basis for an informed political decision on the long-term guarantee measures to be included in Solvency II. It is essential for policyholder protection and financial stability that Solvency II appropriately reflects the long-term financial position and risk exposure of insurance and reinsurance undertakings carrying out insurance business of a long-term nature."

Note for Editors:

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established as a result of the reforms to the structure of supervision of the financial sector in the European Union. The reform was initiated by the European Commission, following the recommendations of a Committee of Wise Men, chaired by Mr. de Larosière, and supported by the European Council and Parliament.

EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.

EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.