PRESS RELEASE

AAE publishes position paper on review of Solvency II reports

Brussels, 12 November 2014:

The 1st January 2016 will mark the start of the new solvency framework for insurers and reinsurers, Solvency II.

In 2016 the first official Solvency II reports will be published, of which the Solvency and Financial Condition Report (SFCR) is perhaps the most important one. Through this report the individual policyholder - and indeed the market as a whole - will have the possibility to obtain information on the business and performance of an insurance or reinsurance undertaking, including a description of the risk exposure, the technical provisions and the capital management.1

As such, the SFCR will be an important step in the realisation of the main goals of Solvency II: a better policyholder protection through transparency and comparability.

Today the Actuarial Association of Europe (AAE) published a position paper “On the Independent Review of Solvency II Reports”. The AAE considers it important that any reader of such reports and more specifically, the Solvency and Financial Condition Report, can obtain a full and independent insight into the actuarial expert judgment used in the valuation of the risk exposure and technical provisions of an insurance or reinsurance undertaking.

Michael Renz, chairperson of the AAE, stated: "The AAE has always supported the introduction of, and contributed to the development of, a new risk-based solvency regime for the (re)insurance industry. This Position Paper is an important example that the AAE will also continue to contribute to the further development and use of Solvency II during and after implementation of the Solvency II Directive”.

- End of press release -

1 Solvency II Directive art. 51