Fiche de procédure

Basic information

COD - Ordinary legislative procedure (ex-codecision procedure) Directive 2000/0251(COD)	Procedure completed
Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC) Subject 2.50.05 Insurance, pension funds 4.60.06 Consumers' economic and legal interests	

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs		06/11/2000
		PSE ETTL Harald	
	Committee for opinion	Rapporteur for opinion	Appointed
	JURI Legal Affairs and Internal Market		11/12/2000
		PPE-DE RIPOLL Y MARTÍNEZ DE BEDOYA Carlos	
	ENVI Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Education, Youth, Culture and Sport	2408	14/02/2002
	Competitiveness (Internal Market, Industry, Research and Space)	2351	30/05/2001
European Commission	Commission DG	Commissioner	
	Financial Stability, Financial Services and Capital Markets Union		

Key events

25/10/2000	Legislative proposal published	COM(2000)0634	Summary
17/11/2000	Committee referral announced in Parliament, 1st reading		
30/05/2001	Debate in Council	2351	Summary
12/06/2001	Vote in committee, 1st reading		Summary
12/06/2001	Committee report tabled for plenary, 1st reading	A5-0212/2001	

03/07/2001	Debate in Parliament		
04/07/2001	Decision by Parliament, 1st reading	T5-0382/2001	Summary
14/02/2002	Act adopted by Council after Parliament's 1st reading		
05/03/2002	Final act signed		
05/03/2002	End of procedure in Parliament		
20/03/2002	Final act published in Official Journal		

Technical information

Procedure reference	2000/0251(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 047-p2; EC Treaty (after Amsterdam) EC 055
Stage reached in procedure	Procedure completed

Documentation gateway

Legislative proposal		COM(2000)0634 OJ C 096 27.03.2001, p. 0129 E	25/10/2000	EC	Summary
Economic and Social Committee: opinion, report		CES0517/2001 OJ C 193 10.07.2001, p. 0016	25/04/2001	ESC	
Committee report tabled for plenary, 1st reading/single reading		A5-0212/2001	12/06/2001	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0382/2001 OJ C 065 14.03.2002, p. 0059-0141 E	04/07/2001	EP	Summary

Additional information

European Commission	EUR-Lex

Final act

Directive 2002/13
OJ L 077 20.03.2002, p. 0017-0022 Summary

Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC)

PURPOSE : to present a proposal for a Directive amending the solvency margin requirements for non-life insurance undertakings. CONTENT : the basic purpose of this Directive is to improve the protection of insurance policyholders by improving rules regarding the solvency of margin of insurance undertakings. A companion proposal (refer to COD/2000/0249) to amend the solvency margin for life assurance undertakings has also been prepared. The two proposals have many common measures and for coherence should be read together. The existing solvency margin requirements were established more than 20 years ago and since then have remain substantially unchanged. Therefore, there was a need to review the solvency margin requirements. With this in mind, the Commission conducted an in-depth analysis and also extensive discussion has taken place and all this work has culminated in the present package of proposals. The present proposal for a Directive significantly clarifies, simplifies, improves and updates the existing rules. Taken as a whole, it represents a significant strengthening and improvement of the current system. Overall, it reinforces the existing system by the following measures: - minimum harmonisation: the harmonised solvency margin (SM) rules are not to be considered strict. Thus, Member States are free to establish more stringent rules for the undertakings they authorise. This approach reflects differences between existing systems and allows national authorities to further strengthen

RSM in line with their market specificities; - indexation of MGF (Minimum Guarantee Fund) and premium/claims thresholds: the MGF's have been strengthened and indexed in line with inflation; so have the thresholds for the application of the split percentage rates for the premiums and claims. The number of MGF's has been simplified and reduced to 2 (from 4). Generous transitional periods arrangements are foreseen (5 plus additional 2 years from entry into force); - changes to solvency margin for reinsurance: the existing formula for the reinsurance reduction to the RSM has been slightly improved. It is now based on a three-year average (as opposed to one single year); - increased power of early intervention for supervisors: regulatory supervision has been strengthened by expressely endowing the competent authorities with the power to take remedial action where policyholders interests are threatened; - class enhancement: a higher RSM is now established for non-life classes of business that have a particularly volatile risk profile. These are classes 11, 12 and 13 corresponding to marine, aviation and general liability. The proposal is to increase the current RSM by 50%; - solvency margin requirement for run-off companies: previously the RSM formula produced an unsatisfactory result for insurance undertakings in run-off. This is now corrected by requiring a proportionate run-down in the RSM; - the different items eligible for the ASM have been clarified and categorised into three groups according to their relative financial strength. The eligibility of certain items has been further limited, thus reinforcing the financial quality of thesolvency margin. ?

Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC)

The Council confirmed its agreement on the texts of the proposals and instructed the Permanent Representatives Committee to finalise the examination of the proposals in the light of the opinion of the European Parliament, as soon as it is available, with a view to reaching an agreement on the directives at first reading, if possible. ?

Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC)

The committee adopted the report by Harald ETTL (PES, A) broadly approving the proposal under the codecision procedure (1st reading), subject to a number of amendments many of which were of a technical or drafting nature. The committee was also concerned to achieve a level playing field and avoid distortions of competition. It therefore adopted an amendment requiring the Commission, in its report on the application of the directive, to indicate how frequently national supervisory authorities use discretionary powers and whether this results in major supervisory differences in the single market. It also wanted to ensure that insurance undertakings in difficulty were not allowed to "export" their problems by automatically being given a solvency certificate, thereby allowing them to trade in other Member States. Lastly, the committee wanted to insert a grandfather clause for existing mutual insurance undertakings falling below the new contribution limit to allow them to continue to fall within the scope of the directive. ?

Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC)

The European Parliament adopted the report by Harald ETTL (EPP/ED, Austria) and amended the Commission's proposal on solvency margins for non-life insurance undertakings. (please refer to previous text).?

Non-life insurance: solvency margin for undertakings (amend. Directive 73/239/EEC)

PURPOSE : to improve the protection of insurance policyholders by improving rules regarding the solvency margin requirements for non-life insurance undertakings. COMMUNITY MEASURE : Directive 2002/13/EEC as regards the solvency margin requirements for non-life insurance undertakings. CONTENT : the Council adopted the directive by accepting all the amendments voted by the European parliament in its first reading. This Directive significantly clarifies, simplifies, improves and updates the existing rules. Taken as a whole, it represents a significant strengthening and improvement of the current system. Overall, it reinforces the existing system by the following measures: - minimum harmonisation: the harmonised solvency margin (SM) rules are not to be considered strict. Thus, Member States are free to establish more stringent rules for the undertakings they authorise. This approach reflects differences between existing systems and allows national authorities to further strengthen RSM in line with their market specificities; - indexation of MGF (Minimum Guarantee Fund) and premium/claims thresholds: the MGF's have been strengthened and indexed in line with inflation; - changes to solvency margin for reinsurance: the existing formula for the reinsurance reduction to the RSM has been slightly improved. It is now based on a three-year average (as opposed to one single year); - increased power of early intervention for supervisors: regulatory supervision has been strengthened by expressely endowing the competent authorities with the power to take remedial action where policyholders interests are threatened; - solvency margin requirement for run-off companies: previously the RSM formula produced an unsatisfactory result for insurance undertakings in run-off. This is now corrected by requiring a proportionate run-down in the RSM; - the different items eligible for the ASM have been clarified and categorised into three groups according to their relative financial strength. The eligibility of certain items has been further limited, thus reinforcing the financial quality of the solvency margin. Not later than 1 January 2007 the Commission shall submit to the European Parliament and the Council a report on the application of this Directive and, if necessary, on the need for further harmonisation. The report shall indicate how Member States have made use of the possibilities in this Directive, and, in particular, whether the discretionary powers afforded to the national supervisory authorities have resulted in major supervisory differences in the single market. ENTRY INTO FORCE : 20/03/2002. IMPLEMENTATION : 20/09/2003.?