

## Press Release

Brussels, 17 December 2020

### Solvency II Review 2020:

## EIOPA advice to European Commission could go further to progress Solvency II evolution

The Association of Mutual Insurers and Insurance Cooperatives in Europe ([AMICE](#)), the voice of the mutual and cooperative insurance sector in Europe, is disappointed that EIOPA's advice to the European Commission on the Solvency II Review published today represents an increasingly conservative approach to insurance risk, which ultimately will negatively impact policyholders.

Solvency II has proven to be a robust tool since its full commencement in 2016; this review is an opportunity to improve certain aspects of the regulatory infrastructure, ultimately with the aims of ensuring financial stability and to benefit policyholders.

AMICE is concerned that the advice from EIOPA does not reflect several proposed improvements to Solvency II which have been examined and developed in detail to create a better equilibrium in the regime. Ultimately, this could mean that insurers will be limited in their offerings to policyholders and their ability to invest, particularly in the long-term which is a key focus for mutual and cooperative insurers.

In addition, AMICE is concerned that the principle of proportionality is still not fully tackled within the advice. Proportionality is a key aspect of the regulatory infrastructure, which should reflect the nature, scale and complexity of the insurance entity when applying regulatory requirements.

AMICE's Secretary General Sarah Goddard, commented: *"While we are still assessing the advice from EIOPA to the European Commission, there are several important areas which we believe still need to be tackled. The experience of the COVID-19 pandemic within the insurance sector has demonstrated the resilience of the industry, so it is counterintuitive that increases in solvency burdens would benefit policyholders. Indeed, we believe that these requirements would ultimately limit product choice and increase costs.*

*"We are particularly concerned that we are still not seeing a clear and structured approach to proportionality. We believe that shortcomings in applying proportionality will be highly detrimental to the SME sector in particular, but will have a wider effect, ultimately reducing competition and choice for the consumer."*

#### For further information, please contact:

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## Notes to editors

### About AMICE (Association of Mutual Insurers and Insurance Cooperatives in Europe)

The Association of Mutual Insurers and Insurance Cooperatives in Europe aisbl ([AMICE](#)) is the voice of the mutual and cooperative insurance sector in Europe. The Brussels-based association advocates for appropriate and fair treatment of all mutual and cooperative insurers in a European Single Market. It also encourages the creation and development of innovative solutions for the benefit of European citizens and society.

Mutual and cooperative insurance follows the principles of solidarity and sustainability, and is characterised by customer-membership and a democratic governance. The mutual business model, with its focus on using surpluses for the benefit of its members, is the natural way to provide insurance.

More than half of all insurance undertakings in the EU are mutual and cooperative insurers which account for a market share of more than 32%. They provide cover for more than 420 million members/policyholders and employ nearly 440,000 people.

*To learn more, visit [www.amice-eu.org](http://www.amice-eu.org)*

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