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Chairman



European Commission  
Mr Olivier Guersent  
Director-General  
DG FISMA  
SPA2 8/20  
1049 Brussels

EIOPA-17/682  
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## **EIOPA's first set of technical advice to the European Commission on specific items in the Solvency II Delegated Regulation**

Dear Mr Guersent,

I am pleased to submit to you EIOPA's first response to your request for technical advice on the review of specific items in the Commission Delegated Regulation (EU) 2015/35.

Overall, the Advice focuses on important aspects of the Solvency Capital Requirements standard formula by putting forward evidence based changes. The aim is to reduce the complexity of the standard formula where needed while retaining a proportionate, technically robust, risk-sensitive and consistent supervisory regime for the insurance sector.

The advice therefore covers proposals regarding new simplified calculations, reducing reliance on external credit ratings, exposures guaranteed and exposures to regional governments and local authorities, risk-mitigation techniques, undertaking specific parameters, look-through for investment related undertakings and information on loss-absorbing capacity of deferred taxes.

EIOPA is planning to complement this first set of advice with a second set by February 2018, that will address remaining items of your calls for technical advice, such as policy proposals on loss-absorbing capacity of deferred taxes to increase supervisory convergence, risk margin, catastrophe risks, non-life and life underwriting risks, non-proportional reinsurance covers, unrated debt and unlisted equity and own funds.

In the meantime, if you require any further information on our first set of Technical Advice, my colleagues and I remain at your disposal.

For your information, I have also sent a copy of this letter and EIOPA's technical advice to the European Parliament and the Council of the EU.

Yours sincerely,

Annex:

EIOPA's first set of advice to the European Commission on specific items in the Solvency II Delegated Regulation, including impact assessment.