

# Solvency II compliance imminent: Regulatory harmonisation delayed.

Gabriel Bernardino Chairman of EIOPA recently announced that “in light of current differences of supervisory cultures and practices<sup>1</sup>,” he is allowing Insurance Regulators a further **5 years** to harmonise their practices across the EU.

While all European insurers are required to be compliant with the Europe wide risk-based system by **January 1 2016**, EIOPA has allowed Insurance Regulators significant leeway in both how and when they implement the new Solvency II standard.



In addition, some National Governments have not yet transposed the Directive into national law<sup>2</sup>, creating further uncertainty in those jurisdictions.

The differences in Insurance Regulators' requirements from jurisdiction to jurisdiction within the EU will still need to be assessed in the New Year. As Bernardino points out in his speech, “the quality of national supervision is no longer solely a national or regional issue; it is a European issue. The EU supervisory system will only be as strong as its weakest link<sup>3</sup>.”



(1&3) EIOPA and supervisory convergence, EIOPA 5<sup>th</sup> annual conference Frankfurt, 18 November 2015

<https://eiopa.europa.eu/Publications/Speeches%20and%20presentations/2015-11-18%20EIOPA%20Annual%20Conference.pdf>

(2) European Commission, November infringements package: key decisions