

Equitable Life Committee of Inquiry

European Parliament decision on setting up a Committee of Inquiry into the crisis of the Equitable Life Assurance Society

The European Parliament,

- having regard to Article 193 of the EC Treaty,
 - having regard to Decision 95/167/EC, Euratom, ECSC of the European Parliament, the Council and the Commission of 19 April 1995 on the detailed provisions governing the exercise of the European Parliament's right of enquiry¹,
 - having regard to Rule 176 of its Rules of Procedure,
 - having regard to the request presented by 213 Members of the European Parliament,
 - having regard to the decision of the Conference of Presidents of 14 December 2005, agreeing in principle to establish a Committee of Inquiry into the allegations raised by petitions 0611/2004 by Arthur White (British) and 0029/2005 by Paul Braithwaite (British), on behalf of the Equitable Members' Action Group and by subsequent petitions on the same subject submitted by German and Irish petitioners, all of which related to the Equitable Life Assurance Society (Equitable Life),
1. Decides to set up a Committee of Inquiry to investigate alleged contraventions or maladministration in the application of Community law in relation to the crisis of Equitable Life, without prejudice to the jurisdiction of national or Community courts;
 2. Decides that the Committee of Inquiry shall:
 - investigate alleged contraventions or maladministration in the application of Directive 92/96/EEC², now codified by Directive 2002/83/EC³, by the United Kingdom's competent authorities in relation to Equitable Life, notably as regards the regulatory regime and the monitoring of the financial health of insurance undertakings, including their state of solvency, the establishment of adequate technical provisions and the covering of those provisions by matching assets;
 - assess, in this respect, whether the Commission has properly fulfilled its duty to monitor the correct and timely transposition of Community law and identify whether systematic weaknesses contributed to the situation that has arisen;

¹ OJ L 113, 19.5.1995, p. 1.

² Council Directive 92/96/EEC of 10 November 1992 on the coordination of laws, regulations and administrative provisions relating to direct life assurance and amending Directives 79/267/EEC and 90/619/EEC (third life assurance Directive) (OJ L 360, 9.12.1992, p. 1).

³ Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (OJ L 345, 19.12.2002, p 1). Directive as last amended by Directive 2005/68/EC (OJ L 323, 9.12.2005, p. 1).

- assess allegations that the UK regulators consistently failed, over a number of years, and at least since 1989, to protect policy holders by exercising rigorous supervision of accounting and provisioning practices and the financial situation of Equitable Life;
 - assess the status of claims by non-UK European citizens and the adequacy of remedies available under UK and/or EU legislation for policy-holders from other Member States;
 - make any proposals that it deems necessary in this matter.
3. Decides that the Committee of Inquiry shall present an interim report to Parliament within 4 months of starting its work, with a view to presenting its final report to Parliament within 12 months of the adoption of this decision;
 4. Decides that the Committee of Inquiry will be composed of 22 Members of the European Parliament.