

Brussels, 11<sup>th</sup> May 2015  
AV/rv(2015)1779031

Mr Roberto GUALTIERI  
Chair of the Committee on Economic  
and Monetary Affairs  
European Parliament  
B-1047 Brussels

*Dear Roberto,*

Thank you for your letter of 1<sup>st</sup> April, further to your previous letter of 19<sup>th</sup> December 2014, regarding the Solvency II Delegated Act. I am pleased that we have been able to look into these matters together without jeopardising the timetable for the implementation of Solvency II and I very much appreciate the Parliament's non-objection to the Solvency II Delegated Act.

In response to your concerns relating to the technical corrections, I have asked my services to do their utmost to include the corrections highlighted in your letter when changing the delegated act to include the European Long-Term Investment Funds (ELTIFs) in the type 1 equity treatment. I hope that this will meet your expectations.

On your point on the sub-tiers, I understand your concerns, but our view – which is in line with EIOPA's advice – is that the limit is conceptually consistent with the own funds requirements set out for banks in the Capital Requirement Regulation. But given the importance of this issue, I plan to review this approach on the basis of an impact assessment at the same time as we review the standard formula, which means within 3 years.

On your point relating to the third country equivalence, it is my intention to adopt these as soon as possible. I am very aware of how significant these are to the insurance industry. I also understand your concern regarding the bundling of decisions for adoption and I will therefore sympathetically consider your request for individual acts for the second package, particularly as this covers the more sensitive area of third-country insurers active in the EU.

Thank you again for your constructive approach.

With best wishes,

JONATHAN HILL

A handwritten signature in black ink, appearing to read "Jonathan Hill", written over the printed name. The signature is stylized with a large, sweeping initial 'J' and a long horizontal stroke extending to the right.