AMENDMENT
206 - 412

Draft report
Markus Ferber
(PE732.668v01-00)


Proposal for a directive
(COM(2021)0581 – C9-0367/2021 – 2021/0295(COD))
Amendment 206
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 2

Text proposed by the Commission

(2) The Covid-19 pandemic has caused tremendous socio-economic damage and left the EU economy in need of a sustainable, inclusive and fair recovery. This has made the work on the Union’s political priorities even more urgent, in particular ensuring that the economy works for people and attaining the objectives of the European Green Deal. The insurance and reinsurance sector can provide private sources of financing to European businesses and can make the economy more resilient by supplying protection against a wide range of risks. With this dual role, the sector has a great potential to contribute to the achievement of the Union’s priorities.

Amendment

(2) The Covid-19 pandemic has caused tremendous socio-economic damage and left the EU economy in need of a sustainable, inclusive and fair recovery. Likewise, the economic and social consequences of the Russian war are still unfolding. This has made the work on the Union’s political priorities even more urgent, in particular ensuring that the economy works for people and attaining the objectives of the European Green Deal. The insurance and reinsurance sector can provide private sources of financing to European businesses and can make the economy more resilient by supplying protection against a wide range of risks. With this dual role, the sector has a great potential to contribute to the achievement of the Union’s priorities.

Or. en

Amendment 207
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’, incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation

Amendment

(3) As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’, incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation
in the corporate sector. To facilitate insurers’ contribution to the financing of the economic recovery of the Union, the prudential framework should be adjusted to better take into account the long-term nature of the insurance business. In particular, when calculating the Solvency Capital Requirement under the standard formula, the possibility to use a more favourable standard parameter for equity investments which are held with a long-term perspective should be facilitated, provided that insurance and reinsurance undertakings comply with sound and robust criteria, that preserve policyholder protection and financial stability. Such criteria should aim to ensure that insurance and reinsurance undertakings are able to avoid forced selling of equities intended to be held for the long term, including under stressed market conditions.

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18 COM/2050/590 final

Amendment 208
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’¹⁸, incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation in the corporate sector. To facilitate insurers’ contribution to the financing of the economic recovery of the Union, the prudential framework should be adjusted to

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18 COM/2050/590 final

Or. en
better take into account the long-term nature of the insurance business. In particular, when calculating the Solvency Capital Requirement under the standard formula, the possibility to use a more favourable standard parameter for equity investments which are held with a long-term perspective should be facilitated, provided that insurance and reinsurance undertakings comply with sound and robust criteria, that preserve policyholder protection and financial stability. Such criteria should aim to ensure that insurance and reinsurance undertakings are able to avoid forced selling of equities intended to be held for the long term, including under stressed market conditions. As insurance and reinsurance undertakings have a wide range of risk-management tools to avoid such forced selling, the criteria should not require the legal or contractual ring-fencing of long-term investment assets in order to benefit from the more favourable standard parameter for equity investments. Finally, the undertaking’s management should commit to a minimum holding period of the equities through written policies and demonstrate its ability to maintain this portfolio over this holding period, rather than being compelled to invest for the said holding period.

Justification

Setting the right incentives on long-term equity treatment is of the utmost importance to restore the capacity of insurance companies to be long-term investors and therefore finance the sustainability transition and enhance the equity-based funding of corporations.

Amendment 209
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 3

18 COM/2050/590 final
As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’\(^{18}\), incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation in the corporate sector. To facilitate insurers’ contribution to the financing of the economic recovery of the Union, the prudential framework should be adjusted to better take into account the long-term nature of the insurance business. In particular, when calculating the Solvency Capital Requirement under the standard formula, the possibility to use a more favourable standard parameter for equity investments which are held with a long-term perspective should be facilitated, provided that insurance and reinsurance undertakings comply with sound and robust criteria, that preserve policyholder protection and financial stability. Such criteria should aim to ensure that insurance and reinsurance undertakings are able to avoid forced selling of equities intended to be held for the long term, including under stressed market conditions.

\(^{18}\) COM/2050/590 final
Amendment 210
Elisabetta Gualmini

Proposal for a directive
Recital 3

Text proposed by the Commission

(3) As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’\(^{18}\), incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation in the corporate sector. To facilitate insurers’ contribution to the financing of the economic recovery of the Union, the prudential framework should be adjusted to better take into account the long-term nature of the insurance business. In particular, when calculating the Solvency Capital Requirement under the standard formula, the possibility to use a more favourable standard parameter for equity investments which are held with a long-term perspective should be facilitated, provided that insurance and reinsurance undertakings comply with sound and robust criteria, that preserve policyholder protection and financial stability. Such criteria should aim to ensure that insurance and reinsurance undertakings are able to avoid forced selling of equities intended to be held for the long term, including under stressed market conditions.

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\(^{18}\) COM/2050/590 final

Amendment

(3) As underlined in the Commission’s Communication of 24 September 2020 ‘A Capital Markets Union for people and businesses’\(^{18}\), incentivising institutional investors, in particular insurers, to make more long-term investments will be instrumental in supporting re-equitisation in the corporate sector. To facilitate insurers’ contribution to the financing of the economic recovery of the Union, the prudential framework should be adjusted to better take into account the long-term nature of the insurance business. In particular, when calculating the Solvency Capital Requirement under the standard formula, the possibility to use a more favourable standard parameter for equity investments which are held with a long-term perspective should be facilitated, provided that insurance and reinsurance undertakings comply with sound and robust criteria, that preserve policyholder protection and financial stability. Such criteria should aim to ensure that insurance and reinsurance undertakings are able to avoid forced selling of equities intended to be held for the long term, including under stressed market conditions, irrespective of the line of business and the duration of the insurance obligations in order to preserve the level playing field throughout the Union.

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\(^{18}\) COM/2050/590 final
Amendment 211
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen due to what has been witnessed in recent years on the markets; this has to be achieved via a recalibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Amendment

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen due to what has been witnessed in recent years on the markets; this has to be achieved via a recalibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Or. en

Amendment 212
Carlo Calenda

Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen due to what has been witnessed in recent years on the markets; this has to be achieved via a recalibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Amendment

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen due to what has been witnessed in recent years on the markets; this has to be achieved via a recalibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.
an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Or. en

Amendment 213
Fabio Massimo Castaldo
Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen due to what has been witnessed in recent years on the markets; this has to be achieved via a recalibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Or. en

Amendment 214
Raffaele Fitto
Proposal for a directive
Recital 3 a (new)

Text proposed by the Commission

(3 a) The need to properly reflect extremely low and negative interest rates in the insurance regulation has arisen
due to what has been witnessed in recent years on the markets; this has to be achieved via a calibration of the Interest Rate Risk sub-module to reflect the existence of a negative yield environment. At the same time, the methodology to be used shall not result in unrealistically large decreases in the liquid part of the curve; this can be avoided by foreseeing an explicit floor to represent a lower bound of interest rates. In line with interest rates dynamics, the floor should not be flat but term-dependent.

Or. en

Amendment 215
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 4

Text proposed by the Commission

(4) In its Communication of 11 December 2019 on the European Green Deal, the Commission made a commitment to integrate better into the Union’s prudential framework the management of climate and environmental risks. The European Green Deal is the Union’s new growth strategy, which aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It will contribute to the objective of building an economy that works for the people, strengthening the Union’s social market economy, helping to ensure that it is future-ready and that it delivers stability, jobs, growth and investment. In its proposal of 4 March 2020 for a European Climate Law, the Commission proposed to make the objective of climate neutrality and climate resilience by 2050 binding in the Union. That proposal was adopted by
the European Parliament and by the Council and it entered into force on 29 July 2021. The Commission’s ambition to ensure global leadership by the EU on the path towards 2050 was reiterated in the 2021 Strategic Foresight Report, which identifies the building of resilient and future-proof economic and financial systems as a strategic area of action.

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19 COM(2019)640 final
21 COM(2021)750 final

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Proposal for a directive
Recital 4

Text proposed by the Commission

(4) In its Communication of 11 December 2019 on the European Green Deal, the Commission made a commitment to integrate better into the Union’s prudential framework the management of climate and environmental risks. The European Green Deal is the Union’s new growth strategy, which aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It will contribute to the objective of building an economy that works for the people,

Amendment

Amendment 216
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Canfin, Pascal Durand

(4) In its Communication of 11 December 2019 on the European Green Deal, the Commission made a commitment to integrate better into the Union’s prudential framework the management of climate and environmental risks. The European Green Deal is the Union’s new growth strategy, which aims to transform the Union into a modern, resource-efficient and competitive economy with no net emissions of greenhouse gases by 2050. It will contribute to the objective of building an economy that works for the people,
strengthening the Union’s social market economy, helping to ensure that it is future-ready and that it delivers stability, jobs, growth and investment. In its proposal of 4 March 2020 for a European Climate Law, the Commission proposed to make the objective of climate neutrality and climate resilience by 2050 binding in the Union. That proposal was adopted by the European Parliament and by the Council and it entered into force on 29 July 2021. The Commission’s ambition to ensure global leadership by the EU on the path towards 2050 was reiterated in the 2021 Strategic Foresight Report, which identifies the building of resilient and future-proof economic and financial systems as a strategic area of action. To reflect that ambition, the insurance framework should be updated to ensure that insurance and reinsurance undertakings manage and mitigate climate and environmental risks.

19 COM(2019)640 final


21 COM(2021)750 final

Amendment 217
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 5

Text proposed by the Commission

Amendment

(5) The EU sustainable finance deleted
framework will play a key role in meeting the targets of the European Green Deal and environmental regulation should be complemented by a sustainable finance framework which channels finance to investments that reduce exposure to these climate and environmental risks. In its Communication of 6 July 2021 on a Strategy for Financing the Transition to a Sustainable Economy\textsuperscript{22}, the Commission committed to propose amendments to Directive 2009/138/EC to consistently integrate sustainability risks in risk management of insurers by requiring climate change scenario analysis by insurers.

\textsuperscript{22} COM(2021)390

Amendment 218
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 5

Text proposed by the Commission

(5) The EU sustainable finance framework will play a key role in meeting the targets of the European Green Deal and environmental regulation should be complemented by a sustainable finance framework which channels finance to investments that reduce exposure to these climate and environmental risks. In its Communication of 6 July 2021 on a Strategy for Financing the Transition to a Sustainable Economy\textsuperscript{22}, the Commission committed to propose amendments to Directive 2009/138/EC to consistently integrate sustainability risks in risk management of insurers by requiring climate change scenario analysis by

Amendment

(5) The Commission estimates that EUR 260 billion additional investments will be needed in the EU to reach the 2030 energy and climate target. The EU sustainable finance framework, and in particular the insurance sector, will play a key role in meeting the targets of the European Green Deal and environmental regulation should be complemented by a sustainable finance framework which channels finance to investments that reduce exposure to these climate and environmental risks. In its Communication of 6 July 2021 on a Strategy for Financing the Transition to a Sustainable Economy, the Commission committed to propose
Amendment 219
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Canfin, Pascal Durand

Proposal for a directive
Recital 5

Text proposed by the Commission

(5) The EU sustainable finance framework will play a key role in meeting the targets of the European Green Deal and environmental regulation should be complemented by a sustainable finance framework which channels finance to investments that reduce exposure to these climate and environmental risks. In its Communication of 6 July 2021 on a Strategy for Financing the Transition to a Sustainable Economy\(^\text{22}\), the Commission committed to propose amendments to Directive 2009/138/EC to consistently integrate sustainability risks in risk management of insurers by requiring climate change scenario analysis by insurers.

Amendment

(5) The EU sustainable finance framework will play a key role in meeting the targets of the European Green Deal and environmental regulation should be complemented by a sustainable finance framework which channels finance to investments that reduce exposure to these climate and environmental risks. In its Communication of 6 July 2021 on a Strategy for Financing the Transition to a Sustainable Economy\(^\text{22}\), the Commission committed to propose amendments to Directive 2009/138/EC to consistently integrate sustainability risks in risk management of insurers by requiring climate change scenario analysis by insurers. \textit{As a result, sustainability risks should be reflected in underwriting and investment decisions.}

\(^{22}\)COM(2021)390
Amendment 220  
Henrike Hahn  
on behalf of the Verts/ALE Group  

Proposal for a directive  
Recital 5 a (new)  

Text proposed by the Commission  

(5 a) According to the International Energy Agency, to reach the carbon neutrality objective by 2050, no new fossil fuel exploration and expansion can take place. This means that fossil fuel exposures represent a higher risk both at micro level, as the value of such assets is set to decrease over time, and at macro level as financing fossil fuel activities jeopardises the objective of maintaining the global rise of temperature below 1.5°C and therefore threatens the financial stability. The higher risks embedded in such exposure should be reflected in the prudential framework, as of now.

Or. en

Amendment 221  
Frances Fitzgerald  

Proposal for a directive  
Recital 5 a (new)  

Text proposed by the Commission  

(5 a) Recent geopolitical developments emphasised the necessity of an open strategic autonomy of the European Union. The insurance industry is a key facilitator of economic activity in the Union, and particularly small and medium sized entities, as well as social wellbeing for EU citizens. Safeguarding the competitiveness of the EU insurance market and should be an objective of the review of Directive 2009/138/EC, its transposition, implementation and the
supervision in accordance with the regime.

Amendment 222
Frances Fitzgerald

Proposal for a directive
Recital 5 b (new)

Text proposed by the Commission

(5 b) The further integration of the single market for insurance is a key objective of this review of Directive 2009/138/EC. The integration of the EU single market for insurance increases competition and the availability of insurance products across Member States to the benefit of businesses and consumers. Insurance failures in the single market for insurance since the application of Solvency II emphasise the need for more consistency and convergence of supervision across the EU. The supervision of insurance undertakings operating under the freedom to provide services and the freedom of establishment should be further improved without undermining the objective of further integrating the single market for insurance to ensure consistent consumer protection and safeguarding fair competition across the EU single market.

Amendment 223
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Canfin, Pascal Durand

Proposal for a directive
Recital 6 a (new)
(6 a) To ensure an orderly transition towards the objective of carbon neutrality as established in Regulation (EU) 2021/1119 (European Climate Law), insurance and reinsurance undertakings in the scope of Directive (EU) 2021/0104 (COD) [CSRD Directive], as regards corporate sustainability reporting shall develop and adopt a transition plan to ensure that their business model and strategy are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement.

Amendment

224
Christophe Hansen

Proposal for a directive
Recital 9

(9) Prior to the granting of authorisation, the supervisory authority of the home Member State should consult the supervisory authorities of any Member States concerned. In view of increased cross-border insurance activities, it is necessary to enhance the convergent application of Union law in cases of cross-border insurance activity and the exchange of information between the supervisory authorities, in particular before authorisations are granted. Therefore, where several supervisory authorities need to be consulted, any supervisory authority concerned should be allowed to request a joint assessment of an application for authorisation from the supervisory authority of the Member State where the authorisation process is

(9) Upon the granting of authorisation, the supervisory authority of the home Member State should notify the supervisory authorities of any Member States concerned.
ongoing.

Amendment 225
Frances Fitzgerald

Proposal for a directive
Recital 9

Text proposed by the Commission

(9) Prior to the granting of authorisation, the supervisory authority of the home Member State should consult the supervisory authorities of any Member States concerned. In view of increased cross-border insurance activities, it is necessary to enhance the convergent application of Union law in cases of cross-border insurance activity and the exchange of information between the supervisory authorities, in particular before authorisations are granted. Therefore, where several supervisory authorities need to be consulted, any supervisory authority concerned should be allowed to request a joint assessment of an application for authorisation from the supervisory authority of the Member State where the authorisation process is ongoing.

Amendment

(9) Prior to the granting of authorisation, the supervisory authority of the home Member State should consult the supervisory authorities of any Member States concerned. In view of increased cross-border insurance activities, it is necessary to enhance the convergent application of Union law in cases of cross-border insurance activity and the exchange of information between the supervisory authorities, including before authorisations are granted. All supervisory authority concerned should be allowed to request information from the supervisory authority granting the authorisation about the business model and risks inherent in the business of the insurance or reinsurance undertaking seeking authorisation. Where any concerned supervisory authority identifies potential risks which have not been appropriately reflected by the supervisory authority granting the authorisation, it should inform this supervisory authority without undue delay. The supervisory authority which is granting the authorisation might consider the issues raised by a concerned supervisory authority for its decision and should notify the concerned supervisory authority about its decision.

Or. en
Amendment 226
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 10

Text proposed by the Commission

(10) Directive 2009/138/EC should be applied in accordance with the proportionality principle. To facilitate the proportionate application of the Directive to undertakings presenting a lower risk profile than the average undertaking, and to ensure that they are not subject to disproportionately burdensome requirements, it is necessary to provide risk-based criteria that allow for their identification.

Amendment

(10) Directive 2009/138/EC should be applied in accordance with the proportionality principle. To facilitate the proportionate and homogeneous application of the Directive to undertakings presenting a lower risk profile than the average undertaking, and to ensure that they are not subject to disproportionately burdensome requirements, it is necessary to provide risk-based criteria that allow for their identification.

Or. en

Amendment 227
Eero Heinäluoma

Proposal for a directive
Recital 11 a (new)

Text proposed by the Commission

(11 a) By way of derogation from the automatic benefit from proportionality measures, where supervisory authorities have concerns in relation to the risk profile of an individual low-risk profile undertaking, the supervisory authorities should have the power to request the undertaking concerned to refrain from using one or several proportionality measures. Such power could be used where they identify that the risk profile of an undertaking changes significantly, as a result of a material deterioration of its solvency position, a deficiency in the functioning of its governance or a material change in the activities of the

Amendment

(11 a) By way of derogation from the automatic benefit from proportionality measures, where supervisory authorities have concerns in relation to the risk profile of an individual low-risk profile undertaking, the supervisory authorities should have the power to request the undertaking concerned to refrain from using one or several proportionality measures. Such power could be used where they identify that the risk profile of an undertaking changes significantly, as a result of a material deterioration of its solvency position, a deficiency in the functioning of its governance or a material change in the activities of the
undertaking.

Amendment 228
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Recital 11 a (new)

Text proposed by the Commission

(11 a) Member States could make insurance undertakings that are excluded from the scope of Directive 2009/138/EC subject to provisions that are similar or identical to the ones provided for in that Directive.

Or. en

Justification

Member States that wish to must be allowed to use Solvency II as it sees fit to (continue to) apply to entities outside the scope

Amendment 229
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) Captive insurance undertakings and captive reinsurance undertakings which only cover risks associated with the industrial or commercial group to which they belong, present a particular risk profile that should be taken into account when defining some requirements, in particular on own-risk and solvency assessment, disclosures and the related empowerments for the Commission to

Amendment

(14) Captive insurance undertakings and captive reinsurance undertakings which only cover risks associated with the industrial or commercial group to which they belong, present a particular risk profile that should be taken into account when defining some requirements, in particular on own-risk and solvency assessment, disclosures and the related empowerments for the Commission to
further specify the rules on such empowerments. **Moreover**, captive insurance undertakings and captive reinsurance undertakings should **also be able to** benefit from the proportionality measures **when they are** classified as low-risk profile undertakings.

Moreover, captive insurance undertakings and captive reinsurance undertakings should **also be able to** benefit from the proportionality measures **when they are** classified as low-risk profile undertakings.

Therefore, captive insurance undertakings and captive reinsurance undertakings should benefit from the proportionality measures **by being automatically** classified as low-risk profile undertakings.

**Amendment 230**

Henrike Hahn
on behalf of theVerts/ALE Group

**Proposal for a directive**

**Recital 15 a (new)**

*Text proposed by the Commission*

(15 a) The lack of diversity in the administrative, management or supervisory bodies could lead to 'groupthink' phenomenon. This phenomenon is at the roots of ineffective decisions and systematic bias. Therefore, diversity should be one of the criteria for the composition of administrative, management or supervisory bodies. To facilitate independent opinions and critical challenges, administrative, management or supervisory bodies should be sufficiently diverse as regards age, gender, geographical provenance and educational and professional background to present a variety of views and experiences. Gender balance is of particular importance to ensure adequate representation of the population. Insurance and reinsurance undertaking shall set target and define measures to increase the representation of the underrepresented gender in the administrative, management or supervisory body. Employee representation in management bodies could also, by adding a key perspective and genuine knowledge of the internal
workings of institutions, be seen as a positive way of enhancing diversity. Diversity should also be addressed in institutions' recruitment policy more generally. Such a policy should, for instance, encourage institutions to select candidates from shortlists including both genders.

Amendment 231
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 15 b (new)

*Text proposed by the Commission*

(15 b) The effectiveness of a prudential framework relies on the ability of the responsible supervisor to conduct its task in an objective and impartial manner. To avoid that any conflict of interest jeopardises the supervision of insurance and reinsurance undertakings, supervisors shall meet high-level independence criteria. Supervisors must not be allowed to trade any securities issued by a supervised entity and an appropriate cooling-off period shall be defined before a supervisor takes a position in a supervised entity or other related entity.

Amendment 232
Frances Fitzgerald

Proposal for a directive
Recital 16
(16) Cooperation between the supervisory authority of the home Member State that granted authorisation to an insurance or reinsurance undertaking and the supervisory authorities of the Member States where that undertaking pursues activities by establishing branches or by providing services, should be strengthened in order to better prevent potential problems and to enhance the protection of policyholders across the Union. This cooperation should include more information coming from the supervisory authority of the home Member State, in particular regarding the outcome of the supervisory review process related to the cross-border activity.

(16) Cooperation between the supervisory authority of the home Member State that granted authorisation to an insurance or reinsurance undertaking and the supervisory authorities of the Member States where that undertaking pursues activities by establishing branches or by providing services, should be strengthened in order to better prevent potential problems and to enhance the protection of policyholders across the Union. This cooperation should increase transparency and the regular exchange of information between concerned supervisory authorities, in particular regarding the outcome of the supervisory review process related to the cross-border activity, the financial condition of the undertaking and market conditions, which might impact the provision of services.

Or. en

Amendment 233
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) Supervisory authorities should be entitled to receive from each supervised insurance and reinsurance undertaking and their groups, at least every three years, a regular narrative report with information on the business and performance, system of governance, risk profile, capital management and other relevant information for solvency purposes. In order to simplify this reporting requirement for insurance and reinsurance groups, it should be possible, subject to certain conditions,

Amendment

(17) Supervisory authorities should be entitled to receive from each supervised insurance and reinsurance undertaking and their groups, at least every two years, a regular narrative report with information on the business and performance, system of governance, risk profile, capital management and other relevant information for solvency purposes. The reporting frequency for low-risk profile undertakings shall be three years. In order to simplify this reporting requirement for
to submit the information of the regular supervisory report relating to the group and its subsidiaries in an aggregated way for the whole group.

insurance and reinsurance groups, it should be possible, subject to certain conditions, to submit the information of the regular supervisory report relating to the group and its subsidiaries in an aggregated way for the whole group.

Or. en

Amendment 234
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Recital 19

Text proposed by the Commission

(19) Reporting and disclosure deadlines should be clearly laid down in Directive 2009/138/EC. However, it should be recognised that extraordinary circumstances such as sanitary emergencies, natural catastrophes and other extreme events could make it impossible for insurance and reinsurance undertakings to submit such reports and disclosures, within the established deadlines. To this end, the Commission should be empowered to extend the deadlines under such circumstances.

Amendment

(19) Reporting and disclosure deadlines should be clearly laid down in Directive 2009/138/EC. However, it should be recognised that extraordinary circumstances such as sanitary emergencies, natural catastrophes and other extreme events could make it impossible for insurance and reinsurance undertakings to submit such reports and disclosures, within the established deadlines. To this end, EIOPA should be empowered to extend the deadlines under such circumstances.

Or. en

Justification

In terms of efficiency EIOPA are better suited to making such decisions

Amendment 235
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 20 a (new)
(20 a) Cyber risks remain top global risks for the financial sector and the economy and have increased during the Covid pandemic. Following the adoption of the Regulation 2020/266 on digital operational resilience for the financial sector [DORA Regulation], cyber risks need to be better taken into account by insurers as part of their operational risks to prevent damages resulting from cyber-attacks. EIOPA should also consider how the insurance market could improve the coverage of cyber risks.

Amendment 236
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 21

(21) As insurance activities may trigger or amplify risks for financial stability, insurance and reinsurance undertakings should incorporate macroprudential considerations and analysis in their investment and risk management activities. This could include taking into account the potential behaviour of other market participants, macropconomic risks, such as credit cycle downturns or reduced market liquidity, or excessive concentrations at market level in certain asset types, counterparties or sectors.

Amendment
(21) As insurance activities could trigger or amplify risks for financial stability, insurance and reinsurance undertakings should incorporate macroprudential considerations and analysis in their investment and risk management activities. This could include taking into account the potential behaviour of other market participants, macroeconomic risks, such as credit cycle downturns or reduced market liquidity, developments related to climate change, or excessive concentrations at market level in certain asset types, counterparties or sectors.
Amendment 237
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive

Recital 21

Text proposed by the Commission

(21) As insurance activities may trigger or amplify risks for financial stability, insurance and reinsurance undertakings should incorporate macroprudential considerations and analysis in their investment and risk management activities. This could include taking into account the potential behaviour of other market participants, macroeconomic risks, such as credit cycle downturns or reduced market liquidity, or excessive concentrations at market level in certain asset types, counterparties or sectors.

Amendment

(21) As insurance activities could trigger or amplify risks for financial stability, insurance and reinsurance undertakings should incorporate macroprudential considerations and analysis in their underwriting, investment and risk management activities. This could include taking into account the potential behaviour of other market participants, macroeconomic risks, such as credit cycle downturns or reduced market liquidity, or excessive concentrations at market level in certain asset types, counterparties or sectors.

Or. en

Amendment 238
Eero Heinäluoma

Proposal for a directive

Recital 22

Text proposed by the Commission

(22) Insurance and reinsurance undertakings should factor any relevant macroprudential information provided by the supervisory authorities in their own-risk and solvency assessment. The supervisory authorities should analyse the own-risk and solvency assessment supervisory reports of undertakings within their jurisdictions, aggregate them and provide input to undertakings on the elements that should be considered in their future own-risk and solvency assessments, particularly as regards macroprudential risks. Member States should ensure that,

Amendment

(22) Where requested by the national supervisory authority, insurance and reinsurance undertakings should factor any relevant macroprudential information provided by the supervisory authorities in their own-risk and solvency assessment. In order to ensure a consistent application of such additional macroprudential measures, EIOPA should develop guidelines regarding its scope of application that specify the criteria to be taken into account by national supervisory authorities when identifying the undertaking to which the measure
where they entrust an authority with a macroprudential mandate, the outcome and the findings of macroprudential assessments by the supervisory authorities are shared with that macroprudential authority.

Applies. To ensure that the assessment of macroprudential risks is holistic in nature, these guidelines should provide methods and indicators for national supervisory authorities to weigh and combine the relevant criteria when selecting the addressees of the requests for additional macro-prudential measures, without setting prescriptive thresholds in relation to individual criteria. The supervisory authorities should analyse the own-risk and solvency assessment supervisory reports of undertakings within their jurisdictions, aggregate them and provide input to undertakings on the elements that should be considered in their future own-risk and solvency assessments, particularly as regards macroprudential risks. Member States should ensure that, where they entrust an authority with a macroprudential mandate, the outcome and the findings of macroprudential assessments by the supervisory authorities are shared with that macroprudential authority.

Or. en

Amendment 239
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 22

Text proposed by the Commission
(22) Insurance and reinsurance undertakings should factor any relevant macroprudential information provided by the supervisory authorities in their own-risk and solvency assessment. The supervisory authorities should analyse the own-risk and solvency assessment supervisory reports of undertakings within their jurisdictions, aggregate them and provide input to undertakings on the elements that should be considered in their

Amendment
(22) Insurance and reinsurance undertakings should factor any relevant macroprudential information provided by the supervisory authorities in their own-risk and solvency assessment (ORSAs). The supervisory authorities should analyse the own-risk and solvency assessment supervisory reports of undertakings within their jurisdictions, aggregate them and provide input to undertakings on the elements that should be considered in their
future own-risk and solvency assessments, particularly as regards macroprudential risks. Member States should ensure that, where they entrust an authority with a macroprudential mandate, the outcome and the findings of macroprudential assessments by the supervisory authorities are shared with that macroprudential authority.

Amendment 240
Eero Heinäluoma

Proposal for a directive
Recital 22 a (new)

Text proposed by the Commission

(22 a) Supervisory authorities should have the power to set a capital add-on to address one or more entity, activity-, or behaviour-based sources of systemic risk. Supervisory authorities should have the discretion to make use of this tool, whenever they deem it necessary to mitigate an identified systemic risk or the build-up thereof. They should clearly document the rationale for the add-on, apply it in a proportionate way and only as long as the conditions that lead to the application of the add-on remain in force. Supervisory authorities must also take into account procyclical effects when considering the use of this tool. In order to assist consistent conditions of application and avoid inconsistent use across the Union, the Commission should adopt a delegated act on the procedures for decisions to trigger, set, calculate and remove capital add-on for systemic risk.

Or. en
Amendment 241
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 24

(24) Authorities with a macroprudential mandate are in charge of the macroprudential policy for their national insurance and reinsurance market. The macroprudential policy can be pursued by the supervisory authority or by another authority or body entrusted with this purpose.

(24) Authorities with a macroprudential mandate are in charge of the macroprudential policy for their national insurance and reinsurance market. The macroprudential policy can be pursued by the supervisory authority or by another authority entrusted with this purpose.

Or. en

Amendment 242
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 25

(25) Good coordination between supervisory authorities and the relevant bodies and authorities with a macroprudential mandate is important for identifying, monitoring and analysing possible risks to the stability of the financial system that may affect insurance and reinsurance undertakings, and for taking measures to effectively and appropriately address those risks. Cooperation between authorities should also aim to avoid any form of duplicative or inconsistent actions.

(25) Good coordination between supervisory authorities and the relevant authorities with a macroprudential mandate is important for identifying, monitoring and analysing possible risks to the stability of the financial system that may affect insurance and reinsurance undertakings, and for taking measures to effectively and appropriately address those risks. Cooperation between authorities should also aim to avoid any form of duplicative or inconsistent actions.

Or. en

Amendment 243
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi
Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Directive 2009/138/EC requires insurance and reinsurance undertakings to have, as an integrated part of their business strategy, a periodic own-risk and solvency assessment. Some risks, such as climate change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement. Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and reinsurance undertakings have material exposure to climate risks, they should be required to carry out, within appropriate intervals and as part of the own-risk and solvency assessment, analyses of the impact of long-term climate change risk scenarios on their business. Such analyses should be proportionate to the nature, scale and complexity of the risks inherent in the business of the undertakings. In particular, while the assessment of the materiality of exposure to climate risks should be required from all insurance and reinsurance undertakings, long-term climate scenario analyses should not be required for low-risk profile undertakings.

Amendment 244
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 26
Text proposed by the Commission

(26) Directive 2009/138/EC requires insurance and reinsurance undertakings to have, as an integrated part of their business strategy, a periodic own-risk and solvency assessment. Some risks, such as climate change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement. Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and reinsurance undertakings have material exposure to climate risks, they should be required to carry out, within appropriate intervals and as part of the own-risk and solvency assessment, analyses of the impact of long-term climate change risk scenarios on their business. Such analyses should be proportionate to the nature, scale and complexity of the risks inherent in the business of the undertakings. In particular, while the assessment of the materiality of exposure to climate risks should be required from all insurance and reinsurance undertakings, long-term climate scenario analyses should not be required for low-risk profile undertakings.

Amendment

(26) Directive 2009/138/EC requires insurance and reinsurance undertakings to have, as an integrated part of their business strategy, a periodic own-risk and solvency assessment. Some risks, such as climate change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement. Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and reinsurance undertakings have material exposure to climate risks, they should be required to carry out, within appropriate intervals and as part of the own-risk and solvency assessment, analyses of the impact of long-term climate change risk scenarios on their business. Such analyses should be proportionate to the nature, scale and complexity of the risks inherent in the business of the undertakings.
change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement. Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and reinsurance undertakings have material exposure to climate risks, they should be required to carry out, within appropriate intervals and as part of the own-risk and solvency assessment, analyses of the impact of long-term climate change risk scenarios on their business. Such analyses should be proportionate to the nature, scale and complexity of the risks inherent in the business of the undertakings. In particular, while the assessment of the materiality of exposure to climate risks should be required from all insurance and reinsurance undertakings, long-term climate scenario analyses should not be required for low-risk profile undertakings.

Amendment 246
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 26

Text proposed by the Commission

(26) Directive 2009/138/EC requires insurance and reinsurance undertakings to have, as an integrated part of their business strategy, a periodic own-risk and solvency assessment. Some risks, such as climate change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement. Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and reinsurance undertakings

Amendment

(26) Directive 2009/138/EC requires insurance and reinsurance undertakings to have, as an integrated part of their business strategy, a periodic own-risk and solvency assessment. Some risks, such as climate change risks, are difficult to quantify or they materialise over a period that is longer than the one used for the calibration of the Solvency Capital Requirement (SCR). Those risks can be better taken into account in the own-risk and solvency assessment. Where insurance and
have material exposure to climate risks, they should be required to carry out, within appropriate intervals and as part of the own-risk and solvency assessment, analyses of the impact of long-term climate change risk scenarios on their business. Such analyses should be proportionate to the nature, scale and complexity of the risks inherent in the business of the undertakings. In particular, while the assessment of the materiality of exposure to climate risks should be required from all insurance and reinsurance undertakings, long-term climate scenario analyses should not be required for low-risk profile undertakings.

**Recital 27**

(27) Directive 2009/138/EC requires the disclosure, at least, annually, of essential information through the solvency and financial condition report. That report has two main types of addressees: policyholders and beneficiaries on the one hand, and analysts and other market participants on the other hand. In order to address the needs and the expectations of those two different groups, the content of the report should be divided into two parts. The first part, addressed mainly to policyholders and beneficiaries, should contain the key information on business, performance, capital management and risk profile. The second part, addressed to analysts and other market participants, should contain detailed information on the system of governance, specific information that is relevant for market participants.

**Amendment**

(27) Directive 2009/138/EC requires the disclosure, at least, annually, of essential information through the solvency and financial condition report. That report has two main types of addressees: policyholders and beneficiaries on the one hand, and analysts and other market participants on the other hand. In order to address the needs and the expectations of those two different groups, the content of the report should be divided into two parts. The first part, addressed mainly to policyholders and beneficiaries, should contain the key information on business, performance, capital management and risk profile, *including in relation to sustainability risks*. The second part, addressed to analysts and other market participants, should contain detailed
information on the system of governance, including the role of the administrative, management and supervisory body with regard to sustainability risks, specific information on technical provisions and other liabilities, the solvency position, the targets and milestones defined in the transition plan as well as other data relevant for specialised analysts, including for undertakings using internal models, the amount of the Solvency Capital Requirements that would have resulted from the application of the standard formula.

Amendment 248
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Durand, Pascal Canfin

Proposal for a directive
Recital 27 a (new)

(27 a) EIOPA is required to initiate and coordinate Union-wide assessments of the resilience of financial institutions to adverse market developments according to Article 32 of Regulation (EU) No 1094/2010. A first IORP stress test was launched in April 2022 with results expected in December 2022. Similarly, national supervisory authorities should perform stress tests on climate but also on environmental and social risks.

Amendment 249
Jessica Polfjärd

Proposal for a directive
Recital 28 a (new)
(28 a) The European Insurance and Occupational Pensions Authority (EIOPA) noted in its holistic impact assessment that certain changes would result in significant increases in certain provisions for insurance undertakings in some Member States, due to different characteristics in government bond and swap markets. Therefore, differences in currencies and national characteristics should be taken into account when determining the starting point for the extrapolation of risk-free interest rates and the appropriate convergence period to the ultimate forward rate.

Or. en

Amendment 250
Stéphanie Yon-Courtin, Pascal Durand, Gilles Boyer

Proposal for a directive
Recital 30

Text proposed by the Commission

(30) In order to guarantee the highest degree of accuracy of the information disclosed to the public, a substantial part of the solvency and financial condition report should be subject to audit. Such audit requirement should cover the balance sheet assessed in accordance with the valuation criteria set out in Directive 2009/138/EC.

Amendment

(30) In order to guarantee the highest degree of accuracy of the information disclosed to the public, a substantial part of the solvency and financial condition report should be subject to audit. Such requirement should cover the balance sheet assessed in accordance with the valuation criteria set out in Directive 2009/138/EC.

Or. en

Amendment 251
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Recital 31
(31) The burden of the auditing requirement does not seem to be justified for low-risk profile undertakings, which are not expected to be relevant for the financial stability of the Union and whose policyholders are not numerous. One of the criteria that low-risk profile undertakings are required to meet is that they be small in size. To alleviate this burden, an exclusion from this requirement should be granted.

However, as some Member States have already implemented audit requirements encompassing all undertakings and other parts of the solvency and financial condition report, they should have the possibility to apply auditing to all undertakings and other parts of the solvency and financial condition report.
Justification

Member States shall be explicitly permitted to continue with auditing requirements already in place.

Amendment 253
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 31

Text proposed by the Commission

(31) The burden of the auditing requirement does not seem to be justified for low-risk profile undertakings, which are not expected to be relevant for the financial stability of the Union and whose policyholders are not numerous. One of the criteria that low-risk profile undertakings are required to meet is that they be small in size. To alleviate this burden, an exclusion from this requirement should be granted.

Amendment

(31) The burden of the auditing requirement does not seem to be justified for low-risk profile undertakings, which are not expected to be relevant for the financial stability of the Union and whose policyholders are not numerous. One of the criteria that low-risk profile undertakings are required to meet is that they be small in size. To alleviate this burden, an exclusion from this requirement should be granted, unless decided otherwise by the competent authority.

Or. en

Amendment 254
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Recital 32

Text proposed by the Commission

(32) It should be acknowledged, that, although beneficial, the auditing requirement would be an additional burden for every undertaking. Therefore, annual reporting and disclosure deadlines for insurance and reinsurance undertakings and for insurance and reinsurance groups should be extended in

Amendment

deleted
order to give those undertakings sufficient time to produce audited reports.

Amendment 255
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 34

Text proposed by the Commission

(34) The determination of the relevant risk-free interest rate term structure should balance the use of information derived from relevant financial instruments with the ability of insurance and reinsurance undertakings to hedge interest rates derived from financial instruments. In particular, it can happen that smaller insurance and reinsurance undertakings do not have the capacities to hedge interest rate risk with instruments other than bonds, loans or similar assets with fixed cash-flows. The relevant risk-free interest rate term structure should therefore be extrapolated for maturities where the markets for bonds are no longer deep, liquid and transparent. However, the method for the extrapolation should make use of information derived from relevant financial instruments other than bonds, where such information is available from deep, liquid and transparent markets for maturities where the bond markets are no longer deep, liquid and transparent. To ensure certainty and harmonised application while also allowing for timely reaction to changes in market conditions, the Commission should adopt delegated acts to specify how the new extrapolation method should apply.

Amendment

(34) The determination of the relevant risk-free interest rate term structure should balance the use of information derived from relevant financial instruments with the ability of insurance and reinsurance undertakings to hedge interest rates derived from financial instruments. In particular, it can happen that smaller insurance and reinsurance undertakings do not have the capacities to hedge interest rate risk with instruments other than bonds, loans or similar assets with fixed cash-flows. The relevant risk-free interest rate term structure should therefore be extrapolated for maturities where the markets for bonds are no longer deep, liquid and transparent. However, the method for the extrapolation should make use of information derived from relevant financial instruments other than bonds, where such information is available from deep, liquid and transparent markets for maturities where the bond markets are no longer deep, liquid and transparent. To ensure certainty and harmonised application while also allowing for timely reaction to changes in market conditions, the Commission should adopt delegated acts to specify how the new extrapolation method should apply. **Under market conditions similar to those at the date of entry into force of this Directive, the starting point for the extrapolation of risk-free interest rates, in particular for the euro, should be at a maturity of 20**
years. In addition, the extrapolated part of the relevant risk-free interest rate term structure, in particular for the euro, should converge so that for maturities of 40 years past the starting point of the extrapolation, the extrapolated forward rates do not differ more than seven basis points from the ultimate forward rate.

Justification

Insurance and reinsurance undertakings should be given legal certainty in the determination of the relevant risk-free interest rate term structure.

Amendment 256
Johan Van Overtveldt

Proposal for a directive
Recital 36

Text proposed by the Commission

(36) Directive 2009/138/EC provides for a volatility adjustment, which seeks to mitigate the effect of exaggerations of bond spreads and is based on reference portfolios for the relevant currencies of insurance and reinsurance undertakings and, in the case of the euro, on reference portfolios for national insurance markets. The use of a uniform volatility adjustment for entire currencies or countries can lead to benefits in excess of a mitigation of exaggerated bond spreads, in particular where the sensitivity of relevant assets of those undertakings to changes in credit spreads is lower than the sensitivity of the relevant best estimate to changes in interest rates. In order to avoid such excessive benefits from the volatility adjustment, the volatility adjustment should be subject to supervisory approval and its calculation should take into account undertaking-specific characteristics related to the spread sensitivity of assets and the interest rate.

Amendment

(36) Directive 2009/138/EC provides for a volatility adjustment, which seeks to mitigate the effect of exaggerations of bond spreads and is based on reference portfolios for the relevant currencies of insurance and reinsurance undertakings and, in the case of the euro, on reference portfolios for national insurance markets. The use of a uniform volatility adjustment for entire currencies or countries can lead to benefits in excess of a mitigation of exaggerated bond spreads, in particular where the sensitivity of relevant assets of those undertakings to changes in credit spreads is lower than the sensitivity of the relevant best estimate to changes in interest rates. Inversely, the use of a uniform volatility adjustment for entire currencies or countries can lead in exceptional circumstances to a situation where the sensitivity to changes in credit spreads of particular investments of undertakings are not sufficiently taken into account. In
sensitivity of the best estimate of technical provisions. In light of the additional safeguards, insurance and reinsurance undertakings should be allowed to add up to an increased proportion of 85% of the risk-corrected spread derived from the representative portfolios to the basic risk-free interest rate term structure.

order to avoid *inappropriate corrections* from the volatility adjustment, the volatility adjustment should be subject to supervisory approval and its calculation should take into account undertaking-specific characteristics related to the spread sensitivity of assets and the interest rate sensitivity of the best estimate of technical provisions. *Moreover, minimum conditions for the use of the volatility adjustment should be introduced as an additional safeguard. Member States, some of which already subject the use of the volatility adjustment to a supervisory approval process, should have the option to extend the conditions for approval to include an assessment against the underlying assumptions of the volatility adjustment.* In light of the additional safeguards, insurance and reinsurance undertakings should be allowed to add up to an increased proportion of 85% of the risk-corrected spread derived from the representative portfolios to the basic risk-free interest rate term structure.

Amendment 257
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 36

*Text proposed by the Commission*

(36) Directive 2009/138/EC provides for a volatility adjustment, which seeks to mitigate the effect of exaggerations of bond spreads and is based on reference portfolios for the relevant currencies of insurance and reinsurance undertakings and, in the case of the euro, on reference portfolios for national insurance markets. The use of a uniform volatility adjustment for entire currencies or countries can lead...
to benefits in excess of a mitigation of exaggerated bond spreads, in particular where the sensitivity of relevant assets of those undertakings to changes in credit spreads is lower than the sensitivity of the relevant best estimate to changes in interest rates. In order to avoid such excessive benefits from the volatility adjustment, the volatility adjustment should be subject to supervisory approval and its calculation should take into account undertaking-specific characteristics related to the spread sensitivity of assets and the interest rate sensitivity of the best estimate of technical provisions. In light of the additional safeguards, insurance and reinsurance undertakings should be allowed to add up to an increased proportion of 85% of the risk-corrected spread derived from the representative portfolios to the basic risk-free interest rate term structure.

Amendment 258
Johan Van Overtveldt

Proposal for a directive
Recital 36 a (new)

Text proposed by the Commission

Amendment

(36 a) Where the undertaking invests in debt instruments which have a better credit quality than the debt instruments contained in the representative portfolio for the calculation of the volatility adjustment, the volatility adjustment may overcompensate the loss of own funds caused by widening bond spreads and
may lead to undue volatility in the own funds. Alternatively, where the undertaking invests in debt instruments which are underrepresented in the representative portfolio for the calculation of the volatility adjustment, the volatility adjustment may underestimate the loss of own funds caused by widening bond spreads and may lead to undue volatility in the own funds. With the objective to offset the artificial volatility caused by such inappropriate corrections, in these cases undertakings should be able to apply for a modification of the volatility adjustment that takes into account information on the undertaking specific investments in debt instruments.

Amendment 259
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Recital 36 a (new)

Text proposed by the Commission

(36 a) Where the undertaking invests in debt instruments which have a better credit quality than the debt instruments contained in the representative portfolio for the calculation of the volatility adjustment, the volatility adjustment may overcompensate the loss of own funds caused by widening bond spreads and may lead to undue volatility in the own funds. With the objective to offset the artificial volatility caused by such overcompensations, in these cases undertakings should be able to apply for a modification of the volatility adjustment that takes into account information on the undertaking specific investments in debt instruments.
Amendment 260
Esther de Lange

Proposal for a directive
Recital 36 a (new)

Text proposed by the Commission

(36 a) Where the undertaking invests in debt instruments which have a better credit quality than the debt instruments contained in the representative portfolio for the calculation of the volatility adjustment, the volatility adjustment may overcompensate the loss of own funds caused by widening bond spreads and may lead to undue volatility in the own funds. With the objective to offset the artificial volatility caused by such overcompensations, in these cases undertakings should be able to apply for a modification of the volatility adjustment that takes into account information on the undertaking specific investments in debt instruments.

Amendment

Or. en

Amendment 261
Elisabetta Gualmini

Proposal for a directive
Recital 37

Text proposed by the Commission

(37) Directive 2009/138/EC provides for a country component in the volatility adjustment that aims to ensure that exaggerations of bond spreads in a specific country are mitigated. However, the activation of the country component is based on an absolute threshold and a

Amendment

(37) Directive 2009/138/EC provides for a country component in the volatility adjustment that aims to ensure that exaggerations of bond spreads in a specific country are mitigated. However, the activation of the country component is based on an absolute threshold and a
relative threshold with respect to the risk-adjusted spread of the country, which can lead to cliff-edge effects and therefore increase the volatility of own funds of insurance and reinsurance undertakings. In order to ensure that exaggerations of bond spreads in a specific Member State whose currency is the euro are mitigated effectively, the country component should be replaced by a macro component which is to be calculated based on the differences between the risk adjusted spread for the euro and the risk adjusted spread for the country. In order to avoid cliff-edge effects, the calculation should avoid discontinuities with respect to the input parameters. Moreover, the methodology of the risk-correction should aim at ensuring the counter-cyclicality function of the Volatility Adjustment.

Amendment 262
Elisabetta Gualmini
Proposal for a directive
Recital 37 a (new)

Text proposed by the Commission

Amendment

(37 a) The Review of Directive 2009/138/EC should aim at granting the highest level of protection towards policy holders all over the Union. In the framework of its review, measurement methodologies and tools on illiquidity should be refrained from being used, when their design could have unintended consequences, being detrimental for the policy holders protection, or when they are not based on valid empirical analysis and data.
Amendment 263
Frances Fitzgerald
Proposal for a directive
Recital 39 a (new)

Text proposed by the Commission

(39 a) Directive 2009/138/EC requires that the amount of eligible own funds necessary to support the insurance and reinsurance obligations be determined for the purpose of the risk margin calculation and that the Cost-of-Capital rate is equal to the additional rate, above the relevant risk-free interest rate, that an insurance or reinsurance undertaking would incur holding that amount of eligible own funds. Directive 2009/138/EC also requires that the Cost-of-Capital rate be reviewed periodically. For that purpose, the reviews should ensure that the Cost-of-Capital rate remains risk-based and is not set at an overly conservative level. In addition, the projection of future capital requirements for that purpose should take into account the time-dependence of risks in the aggregation of projected future capital requirements. In particular, projected future capital requirements for later years should have a lesser contribution to the risk margin than projected capital requirements of the same level pertaining to earlier years. The determination of the risk margin should take diversification effects at group level into account to reflect the positive impact of effective risk management of insurance and reinsurance groups.

Amendment 264
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi
Proposal for a directive
Recital 39 a (new)
(39 a) Directive 2009/138/EC requires that the amount of eligible own funds necessary to support the insurance and reinsurance obligations be determined for the purpose of the risk margin calculation and that the Cost-of-Capital rate is equal to the additional rate, above the relevant risk-free interest rate, that an insurance or reinsurance undertaking would incur holding that amount of eligible own funds. Directive 2009/138/EC also requires that the Cost-of-Capital rate be reviewed periodically. For that purpose, the reviews should ensure that the Cost-of-Capital rate remains risk-based and is not set at an overly conservative level. In addition, the projection of future capital requirements for that purpose should take into account the time-dependence of risks in the aggregation of projected future capital requirements. In particular, projected future capital requirements for later years should have a lesser contribution to the risk margin than projected capital requirements of the same level pertaining to earlier years.

Or. en

Amendment 265
Elisabetta Gualmini

Proposal for a directive
Recital 40

(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council, institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council may be
permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

The same prudential treatment based on the market risk module should also be permitted if the participations entail a risk exposure similar to investments in financial instruments issued by unrelated entities if specific condition in terms of level of shareholdings and liquidity of the investment are met.

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Proposal for a directive
Recital 40

(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council, institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions. In particular, either group supervision in accordance with

(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council, institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions and to apply a capital requirement factor based on the market
Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

risk module, calculated in accordance with Directive 2009/138/EC, to the participations in credit and financial institutions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

To ensure a full level-playing field between banking-led and insurance-led financial groups.


 Amendment 267
Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

Or. en
Proposal for a directive
Recital 40

Text proposed by the Commission

For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council, institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

Amendment

For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council, institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions and to apply a capital requirement factor based on the market risk module, calculated in accordance with Directive 2009/138/EC, to the participations in credit and financial institutions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

23 Regulation (EU) No 575/2013 of the


Amendment 268
Fabio Massimo Castaldo
Proposal for a directive
Recital 40

Text proposed by the Commission

(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council\(^23\), institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council\(^24\) may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from

Amendment

(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council\(^23\), institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council\(^24\) may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from
their eligible own funds participations in credit and financial institutions, subject to similar conditions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

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or. en
(40) For the purposes of calculating their own funds under Regulation (EU) No 575/2013 of the European Parliament and of the Council\(^{(23)}\), institutions which belong to financial conglomerates that are subject to Directive 2002/87/EC of the European Parliament and of the Council\(^{(24)}\) may be permitted not to deduct their significant investments in insurance or reinsurance undertakings, provided that certain criteria are met. There is a need to ensure that prudential rules applicable to insurance or reinsurance undertakings and credit institutions allow for an appropriate level-playing field between banking-led and insurance-led financial groups. Therefore, insurance or reinsurance undertakings should also be permitted not to deduct from their eligible own funds participations in credit and financial institutions, subject to similar conditions. In particular, either group supervision in accordance with Directive 2009/138/EC or supplementary supervision in accordance with Directive 2002/87/EC should apply to a group encompassing both the insurance or reinsurance undertaking and the related institution. In addition, the institution should be an equity investment of strategic nature for the insurance or reinsurance undertaking and supervisory authorities should be satisfied as to the level of integrated management, risk management and internal controls regarding the entities in the scope of group supervision or supplementary supervision.

\(^{(23)}\) Regulation (EU) No 575/2013 of the


Amendment 270
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 41

Text proposed by the Commission

(41) The existing limits imposed on the level of the symmetric adjustment restrict the ability of this adjustment to mitigate potential pro-cyclical effects of the financial system and to avoid a situation in which insurance and reinsurance undertakings are unduly forced to raise additional capital or sell their investments as a result of unsustained adverse movements in financial markets, such as the ones triggered by the Covid-19 pandemic. Therefore, the symmetric adjustment should be amended so that it allows for larger changes to the standard equity capital charge and further mitigates the impact of sharp increases or decreases

Amendment

(41) The existing limits imposed on the level of the symmetric adjustment restrict the ability of this adjustment to mitigate potential pro-cyclical effects of the financial system and to avoid a situation in which insurance and reinsurance undertakings are unduly forced to raise additional capital or sell their investments as a result of unsustained adverse movements in financial markets, such as the ones triggered by the Covid-19 pandemic. Therefore, the symmetric adjustment should be amended so that it allows for larger changes to the standard equity capital charge and further mitigates the impact of sharp increases or decreases
in stock markets. To prevent an overshooting of the symmetric adjustment, the final capital charge should not be lower than the one which would have resulted from the application of an instantaneous decrease equal to 15% in the value of the equity investment.

Amendment 271
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 44

Text proposed by the Commission
(44) As part of the supervisory review process, it is important for supervisory authorities to be able to compare information across the companies they supervise. Partial and full internal models allow to capture the individual risk of a company better and Directive 2009/138/EC allows insurance and reinsurance undertakings to use them for determining capital requirements without limitations stemming from the standard formula. However, partial and full internal models make comparisons across companies more difficult and supervisory authorities would therefore benefit from access to the outcome of the calculation of standard formula capital requirements. All insurance and reinsurance undertakings should therefore regularly report such information to their supervisors.

Amendment
(44) As part of the supervisory review process, it is important for supervisory authorities to be able to compare information across the companies they supervise. Directive 2009/138/EC allows insurance and reinsurance undertakings to use partial or full internal models for determining capital requirements without limitations stemming from the standard formula. However, partial and full internal models make comparisons across companies more difficult and supervisory authorities would therefore benefit from access to the outcome of the calculation of standard formula capital requirements. All insurance and reinsurance undertakings should therefore regularly report such information to their supervisors. In case of a significant difference between the calculation of capital requirements by the standard formula and by the internal model, the insurance or reinsurance undertaking shall provide additional information and justification to its supervisory authority.
Amendment 272  
Stéphanie Yon-Courtin, Gilles Boyer  

Proposal for a directive  
Recital 44

*Text proposed by the Commission*

(44) As part of the supervisory review process, it is important for supervisory authorities to be able to compare information across the companies they supervise. Partial and full internal models allow to capture the individual risk of a company better and Directive 2009/138/EC allows insurance and reinsurance undertakings to use them for determining capital requirements without limitations stemming from the standard formula. However, partial and full internal models make comparisons across companies more difficult and supervisory authorities would therefore benefit from access to the outcome of the calculation of standard formula capital requirements. All insurance and reinsurance undertakings should therefore regularly report such information to their supervisors.

*Amendment*

(44) As part of the supervisory review process, it is important for supervisory authorities to be able to compare information across the companies they supervise. Partial and full internal models allow to capture the individual risk of an undertaking better and Directive 2009/138/EC allows insurance and reinsurance undertakings to use them for determining capital requirements without limitations stemming from the standard formula. However, partial and full internal models make comparisons across companies more difficult and supervisory authorities would therefore benefit from access to the outcome of the calculation of standard formula capital requirements. All insurance and reinsurance undertakings should therefore regularly report such information to their supervisors.

Or. en

Amendment 273  
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi  

Proposal for a directive  
Recital 45

*Text proposed by the Commission*

(45) Directive 2009/138/EC provides for the possibility for insurance and reinsurance undertakings to calculate their Solvency Capital Requirement with an internal model subject to supervisory approval. Where an internal model is

*Amendment*

deleted

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applied, that Directive does not prevent the insurance and reinsurance undertaking from taking into account the effect of credit spread movements on the volatility adjustment in its internal model. As the use of the volatility adjustment can lead to benefits in excess of a mitigation of exaggerated bond spreads in the calculation of the best estimate, such excessive benefits can also distort the calculation of the Solvency Capital Requirement where the effect of credit spread movements on the volatility adjustment is taken into account in the internal model. In order to avoid such distortion, the Solvency Capital Requirement should be floored, where supervisory authorities allow insurance and reinsurance undertaking to take into account the effect of credit spread movements on the volatility adjustment in their internal model, at a level below which benefits on the Solvency Capital Requirement in excess of a mitigation of exaggerated bond spreads are expected to occur.

Or. en

Amendment 274
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Recital 47

Text proposed by the Commission

(47) National supervisory authorities should be able to collect relevant macroprudential information on the investment strategy of undertakings, analyse it together with other relevant information that might be available from other market sources, and incorporate a macroprudential perspective in their supervision of undertakings. This could include supervising risks related to specific

Amendment

(47) National supervisory authorities should be able to collect relevant macroprudential information on the investment strategy of undertakings, analyse it together with other relevant information that might be available from other market sources, and incorporate a macroprudential perspective in the supervision of undertakings. This could include supervising risks related to specific
credit cycles, economic downturns and collective or herding behaviour in investments.

Amendment 275
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi
Proposal for a directive
Recital 54

Text proposed by the Commission

(54) Supervisory authorities should have the necessary powers to preserve the solvency position of specific insurance or reinsurance undertakings during exceptional situations such as adverse economic or market events affecting a large part or the totality of the insurance and reinsurance market, in order to protect policyholders and preserve financial stability. **Those powers should include the possibility to restrict or suspend distributions to shareholders and other subordinated lenders of a given insurance or reinsurance undertaking before an actual breach of the Solvency Capital Requirement occurs.** Those powers should be applied on a case-by-case basis, respect common risk-based criteria and not undermine the functioning of the internal market.

Amendment

(54) Supervisory authorities should have the necessary powers to preserve the solvency position of specific insurance or reinsurance undertakings during exceptional situations such as adverse economic or sector events affecting a large part or the totality of the insurance and reinsurance market, in order to protect policyholders and preserve financial stability. Those powers should be applied on a case-by-case basis, **as a matter of last resort and only if there is imminent danger of policyholders' rights being endangered or to financial stability. Those measures should respect common risk-based criteria and not undermine the functioning of the internal market.**
(54) Supervisory authorities should have the necessary powers to preserve the solvency position of specific insurance or reinsurance undertakings during exceptional situations such as adverse economic or market events affecting a large part or the totality of the insurance and reinsurance market, in order to protect policyholders and preserve financial stability. Those powers should include the possibility to restrict or suspend distributions to shareholders and other subordinated lenders of a given insurance or reinsurance undertaking before an actual breach of the Solvency Capital Requirement occurs. Those powers should be applied on a case-by-case basis, respect common risk-based criteria and not undermine the functioning of the internal market.

Amendment 277
Frances Fitzgerald
Proposal for a directive
Recital 56 a (new)

Text proposed by the Commission

(56 a) Despite the limited number of failures in the EU internal market for insurance, EIOPA found that particular unsustainable business models operating regulatory arbitrage caused consumer detriment. The supervisory authority granting authorisation to an insurance or reinsurance undertaking should particularly assess if the business model and the scheme of planned activity might pose particular risks to consumers in a specific Member State or across the EU internal market for insurance. Where the
business plan of an insurance undertaking, which is seeking authorisation, includes activities carried out under the freedom to provide services or the freedom of establishment, the supervisory authority should notify all concerned supervisory authorities about the outcome of its assessment. Where the activities of an insurance undertaking carried out under the freedom to provide services or the freedom of establishment are considered to present a specific risk to consumers or the functioning of the internal market for insurance, these activities should be considered “significant cross-border activity”. A reassessment should be carried out where the insurance undertaking notifies the supervisory authority, granting the authorisation, that it intends to carry out activities in another Member State or where the risk profile of the undertaking changes materially.

Amendment 278
Frances Fitzgerald

Proposal for a directive
Recital 57

Text proposed by the Commission

(57) Under Directive 2009/138/EC, as amended by Directive (EU) 2019/2177 of the European Parliament and of the Council, EIOPA has the power to set up and coordinate collaboration platforms to enhance collaboration between the relevant supervisory authorities where an insurance or reinsurance undertaking carries out, or intends to carry out, activities which are based on the freedom to provide services or the freedom of establishment. However, in view of the complexity of the supervisory issues dealt with within those platforms, in

Amendment

(57) Under Directive 2009/138/EC, as amended by Directive (EU) 2019/2177 of the European Parliament and of the Council, EIOPA has the power to set up and coordinate collaboration platforms to enhance collaboration between the relevant supervisory authorities where an insurance or reinsurance undertaking carries out, or intends to carry out, activities which are based on the freedom to provide services or the freedom of establishment. In several cases, national supervisory authorities fail to reach a common view on how to address
several cases, national supervisory authorities fail to reach a common view on how to address issues related to an insurance or reinsurance undertaking which is operating on a cross-border basis. In the event that the supervisory authorities involved in the collaboration platforms cannot reach an agreement on issues related to an insurance or reinsurance undertaking which is operating on a cross-border basis, EIOPA should have the power to settle the disagreement in accordance with Article 19 of Regulation (EU) No 1094/2010.

Further, the set-up and operation of collaboration platforms on an ad-hoc basis did not sufficiently address the need for coordination and collaboration between supervisory authorities. In order to improve the functioning of the platforms and the effective and efficient exchange of information, technology-based and digital solutions should be used. Standing digital collaboration platforms facilitated by EIOPA enable the efficient exchange of regularly available supervisory data, reports on the supervisory review process, coordination of supervisory activity and relevant market data can be shared.


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Amendment 279
Frances Fitzgerald
Proposal for a directive
Recital 58

Text proposed by the Commission

(58) Under Directive 2009/138/EC, insurance or reinsurance undertakings are not required to provide information on the conduct of their business to the supervisory authorities of the host Member States in a timely manner. Such information may only be obtained by requesting it to the supervisory authority of the home Member State. However, such an approach does not ensure access to information in a reasonable period of time. Therefore, the supervisory authorities of the host Member States, like the supervisory authority of the home Member State, should also have the power to directly request information to insurance or reinsurance undertakings in a timely manner.

Amendment

(58) Under Directive 2009/138/EC, insurance or reinsurance undertakings are not required to provide information on the conduct of their business to the supervisory authorities of the host Member States in a timely manner. EIOPA should be mandated to identify the information which should be shared between concerned supervisory authorities via collaboration platforms. In determining the data to be shared, EIOPA shall ensure that regularly available data is shared, which allows all concerned supervisory authorities to carry out their respective mandates.

Or. en

Amendment 280
Frances Fitzgerald

Proposal for a directive
Recital 59

Text proposed by the Commission

(59) Where an insurance or reinsurance undertaking carries out significant cross-border activities in a host Member State, the supervisory authority of that Member State should have the power to request basic information from the supervisory authority of the home Member State on the solvency position of that insurance or reinsurance undertaking. Where the supervisory authority of the host Member State has serious concerns regarding that solvency position, it should have the power to request the carrying out of a joint on-site

Amendment

(59) Where an insurance or reinsurance undertaking carries out significant cross-border activities any concerned supervisory authority should have the power to request additional information, which is not already shared through the collaboration platform, from the supervisory authority of the home Member State on the solvency position of that insurance or reinsurance undertaking. Where a concerned supervisory authority has serious concerns regarding the solvency position, it should have the power
inspection together with the supervisory authority of the home Member State, where there is a significant non-compliance with the Solvency Capital Requirement. **EIOPA should be invited to participate. In this regard, EIOPA should indicate as soon as practicable whether it intends to participate.** Where supervisory authorities disagree on the opportunity to carry out a joint on-site inspection, EIOPA should have the power to settle the disagreement in accordance with Article 19 of Regulation (EU) No 1094/2010.

The home supervisory authority should coordinate a joint on-site inspection inviting all concerned supervisory authorities and EIOPA. Supervisory authorities should agree on the objectives of the on-site inspection before it is carried out. The home supervisory authority should inform all concerned supervisory authorities about the outcome of the inspection. Where supervisory authorities disagree on the opportunity to carry out a joint on-site inspection, its objectives or findings, EIOPA should have the power to settle the disagreement in accordance with Article 19 of Regulation (EU) No 1094/2010.

**Amendment 281**
Markus Ferber

Proposal for a directive
Recital 61

*Text proposed by the Commission*

**Amendment**

(61) In some cases, several insurance and reinsurance undertakings form a de facto group and behave as such, although they do not meet the definition of a group as set out in Directive 2009/138/EC. Therefore, Title III of that Directive does not apply to such insurance and reinsurance undertakings. In such cases, in particular for horizontal groups with no capital links between different undertakings, the group supervisors should have the power to identify the existence of a group. Objective criteria should also be provided to make such an
Amendment 282
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 63

Text proposed by the Commission

(63) Group supervisors may decide to exclude an undertaking from group supervision, in particular when such an undertaking is deemed of negligible interest with respect to the objectives of group supervision. EIOPA has noted diverging interpretations on the criterion of negligible interest, and has identified that, in some cases, such exclusions result in complete waivers of group supervision or in supervision at the level of an intermediate parent company. It is therefore necessary to clarify that such cases should only occur in very exceptional circumstances and that group supervisors should consult EIOPA before making such decisions. Criteria should also be introduced so that there is more clarity as to what should be deemed as negligible interest with respect to the objectives of group supervision.

Amendment

(63) Group supervisors may decide to exclude an undertaking from group supervision, in particular when such an undertaking is deemed of negligible interest with respect to the objectives of group supervision. EIOPA has noted diverging interpretations on the criterion of negligible interest, and has identified that, in some cases, such exclusions result in complete waivers of group supervision or in supervision at the level of an intermediate parent company. It is therefore necessary to clarify that such cases should only occur in very exceptional circumstances and that group supervisors should consult EIOPA before making such decisions. Criteria should also be introduced so that there is more clarity as to what should be deemed as negligible interest with respect to the objectives of group supervision. EIOPA shall issue guidelines to further specify such exceptional circumstances and the cases where an exclusion may be justified. The group supervisor shall reassess at least annually whether its decision remains appropriate.

Amendment 283
Elisabetta Gualmini
Proposal for a directive
Recital 63 a (new)

Text proposed by the Commission

(63 a) Before excluding the ultimate parent undertaking from group supervision, the group supervisor should consult EIOPA, and where applicable, other supervisory authorities concerned, and should assess the impact of exercising group supervision at the level of an intermediate participating undertaking on the solvency position of the group. In this assessment on the features of the group, the group supervisor should consider the qualitative and quantitative risks, including those stemming from intragroup transactions, and the risks that the ultimate parent undertaking poses or may pose to the whole group. Any supervisory decision to exclude the top holding from scope of group supervision and to apply the group supervision at an intermediate level should carefully consider any potential impact on the solvency position of the group and fully overview of the risks the group faces or may face.

Amendment

(Or. en)

Proposal for a directive
Recital 64

Text proposed by the Commission

(64) There is a lack of clarity regarding the types of undertakings for which Method 2, namely a deduction and aggregation method as defined in Article 233 of Directive 2009/138/EC, may be applied when calculating group solvency,

Amendment

(64) There is a lack of clarity regarding the types of undertakings for which Method 2, namely a deduction and aggregation method as defined in Article 233 of Directive 2009/138/EC, may be applied when calculating group solvency,
which is detrimental to the level-playing field in the Union. Therefore, it should be clearly specified which undertakings may be included in the group solvency calculation through Method 2. Such method should only apply to insurance and reinsurance undertakings, third-country insurance and reinsurance undertakings, undertakings belonging to other financial sectors, mixed financial holding companies, insurance holding companies, and other parent undertakings the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings.

It is also important to ensure that prudential rules warrant a level-playing field at global level for all insurance groups which are subject to Title III of Directive 2009/138/EC and which operate in third countries. For this reason, where an international group includes insurance or reinsurance undertakings with head offices in third countries whose solvency regimes have been deemed equivalent or provisionally equivalent in accordance with Article 227 of that Directive, the group supervisor should give such a consideration priority when deciding on whether method 2 should be used instead of – or in combination with – method 1 (accounting-based consolidation method).

Justification

This amendment aims at ensuring a level playing field between international insurance companies with ultimate parent companies within and outside the EEA. It is also part of the Council’s General Approach.

Amendment 285
Fabio Massimo Castaldo
Proposal for a directive
Recital 64

Text proposed by the Commission

(64) There is a lack of clarity regarding the types of undertakings for which Method 2, namely a deduction and aggregation method as defined in Article 233 of Directive 2009/138/EC, may be applied when calculating group solvency, which is detrimental to the level-playing field in the Union. Therefore, it should be clearly specified which undertakings may be included in the group solvency calculation through Method 2. Such method should only apply to insurance and reinsurance undertakings, third-country insurance and reinsurance undertakings, undertakings belonging to other financial sectors, mixed financial holding companies, insurance holding companies, and other parent undertakings the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings.

Amendment

(64) There is a lack of clarity regarding the types of undertakings for which Method 2, namely a deduction and aggregation method as defined in Article 233 of Directive 2009/138/EC, may be applied when calculating group solvency, which is detrimental to the level-playing field in the Union and in third countries. Therefore, it should be clearly specified which undertakings may be included in the group solvency calculation through Method 2. Such method should only apply to insurance and reinsurance undertakings, third-country insurance and reinsurance undertakings, undertakings belonging to other financial sectors, mixed financial holding companies, insurance holding companies, and other parent undertakings the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings.

Or. en

Amendment 286
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 64

Text proposed by the Commission

(64) There is a lack of clarity regarding the types of undertakings for which Method 2, namely a deduction and aggregation method as defined in Article 233 of Directive 2009/138/EC, may be applied when calculating group solvency,
which is detrimental to the level-playing field in the Union. Therefore, it should be clearly specified which undertakings may be included in the group solvency calculation through Method 2. Such method should only apply to insurance and reinsurance undertakings, third-country insurance and reinsurance undertakings, undertakings belonging to other financial sectors, mixed financial holding companies, insurance holding companies, and other parent undertakings the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance or reinsurance undertakings, or third-country insurance or reinsurance undertakings.

Amendment 287
Frances Fitzgerald

Proposal for a directive
Recital 67

Text proposed by the Commission

(67) Under current rules, participating insurance and reinsurance undertakings are granted limited possibilities to use simplified calculations for the purpose of determining their group solvency when method 1, namely accounting consolidation-based method, is used. This generates disproportionate burden, in particular when groups hold participations in related undertakings that are very small in size. Therefore, subject to prior supervisory approval, participating undertakings should be allowed to integrate related undertakings whose size is immaterial in their group solvency by using simplified approaches.

Amendment

(67) Under current rules, participating insurance and reinsurance undertakings are granted limited possibilities to use simplified calculations for the purpose of determining their group solvency when method 1, namely accounting consolidation-based method, is used. This generates disproportionate burden, in particular when groups hold participations in related undertakings that are classified as Low-Risk Profile Undertakings. Therefore, participating undertakings should be allowed to integrate related undertakings whose size is immaterial in their group solvency by using simplified approaches.
(72) There is no legal provision specifying how to calculate group solvency when a combination of Method 1 and Method 2 is used. This leads to inconsistent practices and uncertainties, in particular in relation to the way of calculating the contribution to the group Solvency Capital Requirement of insurance and reinsurance undertakings included through Method 2. Therefore, it should be clarified how group solvency is to be calculated when a combination of methods is used. In order to avoid material increases in capital requirements, it should be clarified that, for the purpose of calculating the consolidated group Solvency Capital Requirement, no equity risk capital charge is to be applied to such holdings. For the same reason, currency risk charge should only be applied to the value of those holdings that is in excess of the Solvency Capital Requirements of those related undertakings. Participating insurance or reinsurance undertakings should be allowed to take into account diversification between that currency risks and other risks underlying the calculation of the consolidated group Solvency Capital Requirement.

(72) There is no legal provision specifying how to calculate group solvency when a combination of Method 1 and Method 2 is used. This leads to inconsistent practices and uncertainties, in particular in relation to the way of calculating the contribution to the group Solvency Capital Requirement of insurance and reinsurance undertakings included through Method 2. Therefore, it should be clarified how group solvency is to be calculated when a combination of methods is used. In order to avoid material increases and double counting in capital requirements as well as to preserve a level playing field for insurance and reinsurance groups at global level, it should be clarified that, for the purpose of calculating the consolidated group Solvency Capital Requirement, no equity risk capital charge is to be applied to such holdings. For the same reason, and because currency risk cannot lead to a breach in the Solvency Capital Requirements as long as the solo undertakings are well capitalized, currency risk of the value of those holdings that is in excess of the Solvency Capital Requirements of those related undertakings should be assessed and managed in the Own Risk and Solvency Assessment. Participating insurance or reinsurance undertakings should be allowed to take into account diversification between that currency risks and other risks underlying the calculation of the consolidated group Solvency Capital Requirement.
The Commission's proposal expects from international insurance and reinsurance groups to hold all their surplus capital (above SCR requirements) in euros, including their surplus capital needed for protection of policy holders outside the EEA. This amendment aims at avoiding a bias towards European policy holders, which would risk harming European policy holders in the longer term as international groups might be further incentivized not to have their ultimate parent company inside the EEA.

Amendment 289
Fabio Massimo Castaldo

Proposal for a directive
Recital 72

Text proposed by the Commission

(72) There is no legal provision specifying how to calculate group solvency when a combination of Method 1 and Method 2 is used. This leads to inconsistent practices and uncertainties, in particular in relation to the way of calculating the contribution to the group Solvency Capital Requirement of insurance and reinsurance undertakings included through Method 2. Therefore, it should be clarified how group solvency is to be calculated when a combination of methods is used. In order to avoid material increases in capital requirements, it should be clarified that, for the purpose of calculating the consolidated group Solvency Capital Requirement, no equity risk capital charge is to be applied to such holdings. For the same reason, currency risk charge should only be applied to the value of those holdings that is in excess of the Solvency Capital Requirements of those related undertakings. Participating insurance or reinsurance undertakings should be allowed to take into account diversification between that currency risks and other risks

Amendment

(72) There is no legal provision specifying how to calculate group solvency when a combination of Method 1 and Method 2 is used. This leads to inconsistent practices and uncertainties, in particular in relation to the way of calculating the contribution to the group Solvency Capital Requirement of insurance and reinsurance undertakings included through Method 2. Therefore, it should be clarified how group solvency is to be calculated when a combination of methods is used. In order to avoid material increases in capital requirements, it should be clarified that, for the purpose of calculating the consolidated group Solvency Capital Requirement, no equity risk capital charge is to be applied to such holdings. For the same reason, and because currency risk cannot lead to a breach in the solvency capital requirements as long as the solo undertakings are well capitalized, currency risk of those related undertakings should be assessed and managed in pillar II. Participating insurance or reinsurance undertakings should be allowed to take into account diversification between that currency risks and other risks
underlying the calculation of the consolidated group Solvency Capital Requirement.

account diversification between that currency risks and other risks underlying the calculation of the consolidated group Solvency Capital Requirement.

Amendment 290
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Recital 77 a (new)

Text proposed by the Commission

(77 a) When adopting the Delegated Act on the Preferential treatment for long-term investments in equity, the Commission shall ensure that this treatment is granted only under strict conditions in terms of fight against money laundering, terrorist financing and tax evasion, aiming at protecting the Union financial system and the proper functioning of the internal market. Therefore, a sub-set of equity investments may be treated as long term equity investments provided that this equity is not issued by companies which have the parent company, subsidiaries or branches in a third country, which is mentioned in Annex I or Annex II to the Council conclusions of 2020 on the revised EU list on non-cooperative jurisdictions for tax purposes, or in the Delegated Regulation in relation to third countries which have strategic deficiencies in their AML/CFT regimes that pose significant threats to the financial system of the Union ('high-risk third countries'), stemming from Article 9 of Directive (EU) 2015/849.

Amendment

Or. en
Amendment 291
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 78

Text proposed by the Commission

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

Or. en
Amendment 292
Fabio Massimo Castaldo

Proposal for a directive
Recital 78

Text proposed by the Commission

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

Amendment

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. If and once sufficiently meaningful, high-quality, comparable scientific data becomes available, EIOPA should be given a mandate to monitor and report on the potential evidence on the risk profile of environmentally or socially harmful investments. If appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC, as to whether the SCR remains prudent for environmentally or socially harmful investments. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.
(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. Given the EU's ambition based on Regulation (EU) 2021/1119 ("Climate Law"), we already know that certain fossil intensive assets will become stranded if no appropriate transition is adhered to. For this reason, undertakings should develop and implement transition plans stipulating their pathway to adhere to the EU’s Climate Law and to divest from activities that significantly harm environmental objectives as outlined in Article 17 of Regulation (EU) 2020/852 (Taxonomy Regulation). Significant divergences from these transition plans should indicate higher risk of exposure to stranded assets and therefore have an impact on an undertaking's capital requirements.
Amendment 294
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 78

Text proposed by the Commission

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

Amendment

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by June 2023 on the evidence on the risk profile of environmentally or socially harmful investments. The report should assess whether a dedicated prudential treatment of exposures related to assets or insurance liabilities associated substantially with environmental or social objectives would be justified. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change, including biodiversity loss-related, should be taken
into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks. Prior to the publication of such a report, undertakings’ assessment of market risk should already reflect sustainability risks stemming from climate change. The assessment should include the impact of such risk on the undertaking, its customers and on the assets the undertaking has invested in. To that end, undertakings should consider any exposure to fossil fuel sectors as an exposure to the most volatile asset of each category.

Amendment 295
Jonás Fernández

Proposal for a directive
Recital 78

Text proposed by the Commission

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an

Amendment

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an
appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

Amendment 296
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Canfin, Pascal Durand

Proposal for a directive
Recital 78

Text proposed by the Commission

(78) Achieving the environmental and climate ambitions of the Green Deal requires the channelling of large amounts of investments from the private sector, including from insurance and reinsurance companies, towards sustainable investments. The provisions of Directive 2009/138/EC on the capital requirements should not impede sustainable investments by insurance and reinsurance undertakings but should reflect the full risk of investments in environmentally harmful...
activities. While there is not sufficient evidence at this stage on risk differentials between environmentally or socially harmful and other investments, such evidence may become available over the next years. In order to ensure an appropriate assessment of the relevant evidence, EIOPA should monitor and report by 2023 on the evidence on the risk profile of environmentally or socially harmful investments. Where appropriate, EIOPA’s report should advise on changes to Directive 2009/138/EC and to the delegated and implementing acts adopted pursuant to that Directive. EIOPA may also inquire whether it would be appropriate that certain environmental risks, other than climate change-related, should be taken into account and how. For instance, if evidence so suggests, EIOPA could analyse the need for extending scenario analyses as introduced by this Directive in the context of climate change-related risks to other environmental risks.

Amendment 297
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 78 a (new)

Text proposed by the Commission

(78 a) With the aim of achieving climate neutrality by 2050 at the latest and in line with the broader transition towards a sustainable economy, insurance and reinsurance undertakings should draw up transition plans, including a comprehensive strategy and operational actions to reach the carbon neutrality objective by 2050 as well as science-based and quantifiable targets and milestones to
monitor and address risks arising the short, medium and long-term. Supervisory authorities should approve such transition plans and verify that the investment policy of insurance and reinsurance undertakings is aligned with the objectives and targets set out in these plans.

Amendment 298
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 78 b (new)

Text proposed by the Commission

(78 b) Remuneration policies which encourage excessive risk-taking behaviour can endanger sound and effective risk management. Therefore, Member States should ensure that written policies on remuneration promote sound and effective risk management, including in relation to sustainability risks. The Commission should adopt delegated acts to specify remuneration schemes, including variable remuneration components linked to the achievement of targets set out in the transition plan of the undertaking.

Amendment 299
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Recital 79
(79) Climate change is affecting and will affect at least over the next decades the frequency and severity of natural catastrophes which are likely to further aggravate due to environmental degradation and pollution. This may also change the exposure of insurance and reinsurance undertakings to natural catastrophe risk and render invalid the standard parameters for natural catastrophe risk set out in Delegated Regulation (EU) 2015/35. In order to ensure that there is no persistent discrepancy between the standard parameters for natural catastrophe risk and the actual exposure of insurance and reinsurance companies to such risks, EIOPA should review regularly the scope of the natural catastrophe risk module and the calibrations of its standard parameters. For that purpose, EIOPA should take into account the latest available evidence from climate science and, where discrepancies are found, it should submit an opinion to the Commission accordingly.

Amendment 300
Stéphanie Yon-Courtin, Gilles Boyer, Pascal Canfin

Proposal for a directive
Recital 79

(79) Climate change is affecting and will affect at least over the next decades the frequency and severity of natural catastrophes which are likely to further aggravate due to environmental degradation and pollution. This may also change the exposure of insurance and
reinsurance undertakings to natural
catastrophe risk and render invalid the
standard parameters for natural catastrophe
risk set out in Delegated Regulation (EU)
2015/35. In order to ensure that there is no
persistent discrepancy between the
standard parameters for natural catastrophe
risk and the actual exposure of insurance
and reinsurance companies to such risks,
EIOPA should review regularly the scope
of the natural catastrophe risk module and
the calibrations of its standard parameters.
For that purpose, EIOPA should take into
account the latest available evidence from
climate science and, where discrepancies
are found, it should submit an opinion to
the Commission accordingly.

Or. en

Amendment 301
Paul Tang
Proposal for a directive
Recital 79 a (new)

Text proposed by the Commission

(79 a) Stewardship policies are a very
effective way to align the activity of an
investee company with the long-term
interests of the policy holders of an
insurance undertaking. As such,
insurance undertakings should develop
and report on their stewardship policies.

Or. en

Amendment 302
Johan Van Overtveldt
Proposal for a directive
Recital 82 a (new)
Text proposed by the Commission

(82 a) The supervision of phasing-in plans for the transitional measures on risk-free interest rates and on technical provisions should be improved, in particular by strengthening the power of the supervisor to withdraw those transitional measures where progress towards compliance with the Solvency Capital Requirement at the end of the transitional period is not achieved or where such compliance is unrealistic. In particular, the compliance could be considered unrealistic where it is based on the assumption that the situation of financial markets at the end of the transitional period is improved compared to the situation at the time of the assessment.

Amendment

Justification

In order to improve the protection of policyholders' interests, it is suggested to strengthen the supervision on the use of transitional measures, including those on extrapolation and interest risks. This amendment is also part of the Council's General Approach.

Amendment 303
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Recital 82 a (new)

Text proposed by the Commission

(82 a) The supervision of phasing-in plans for the transitional measures on risk-free interest rates and on technical provisions should be improved, in particular by strengthening the power of the supervisor to withdraw those transitional measures where progress towards compliance with the Solvency Capital Requirement at the end of the transitional period is not achieved or where such compliance is unrealistic. In particular, the compliance could be considered unrealistic where it is based on the assumption that the situation of financial markets at the end of the transitional period is improved compared to the situation at the time of the assessment.
transitional period is not achieved or where such compliance is unrealistic. In particular, the compliance could be considered unrealistic where it is based on the assumption that the situation of financial markets at the end of the transitional period is improved compared to the situation at the time of the assessment.

Amendment 304
Paul Tang
Proposal for a directive
Recital 82 a (new)

Text proposed by the Commission

(82 a) The risks, and the risk-weights, associated with securitisation products, and in particular those adhering to the principles of simple, transparent and standardized securitisation, deserve proper re-evaluation. Therefore based on a study by EIOPA the Commission should re-calibrate the risk-weights associated with securitisation investments.

Amendment 305
Engin Eroglu, Nicola Beer
Proposal for a directive
Recital 82 a (new)

Text proposed by the Commission

(82 a) Article 19a(5) of Directive 2013/34/EU should be amended so that low-risk profile undertakings as defined in Article 29a may limit their sustainability reporting according to the
simplified SME sustainability reporting standards.

**Justification**

The Corporate Sustainability Reporting Directive (CSRD) does not foresee proportionate reporting requirements for SME insurers. The amendment enables SME insurers to use proportionate SME reporting standard and proposes the definition of Low Risk Profile Undertakings (LRPU) to identify SME insurer. Consequently, Low Risk Profile Undertakings (LRPU) - as defined in Commission’s proposal, SII-Directive, Article 29a - should be allowed to use the proportionate sustainability reporting standards for SMEs as defined in the CSRD. A similar approach is applied for the banking sector in the CSRD allowing the use of SME sustainability reporting standards for so-called small and non-complex institutions.

**Amendment 306**

Chris MacManus
on behalf of The Left Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2009/138/EC

Article 4 – paragraph 1 – points a and b

Text proposed by the Commission

Amendment

(2) in Article 4(1), points (a) and (b) are replaced by the following:

‘

(a) the undertaking’s annual gross written premium does not exceed EUR 15 000 000;

(b) the total of the undertaking’s technical provisions, gross of the amounts recoverable from reinsurance contracts and special purpose vehicles, as referred in Article 76, does not exceed EUR 50 000 000;

,’
Justification

The Commission's proposal on thresholds and exemptions are not appropriate

Amendment 307
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 2
Directive 2009/138/EC
Article 4 – paragraph 1 – point a

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the undertaking’s annual gross written premium does not exceed EUR 15 000 000;</td>
<td>(a) the undertaking’s annual gross written premium does not exceed EUR 25 000 000;</td>
</tr>
</tbody>
</table>

Or. en

Amendment 308
Eero Heinäluoma, Jonás Fernández, Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 2
Directive 2009/138/EC
Article 4 – paragraph 1 – point a

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the undertaking’s annual gross written premium does not exceed EUR 15 000 000;</td>
<td>(a) the undertaking’s annual gross written premium does not exceed EUR 10 000 000;</td>
</tr>
</tbody>
</table>

Or. en

Amendment 309
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 2
Directive 2009/138/EC
Article 4 – paragraph 1 – point b
(b) the total of the undertaking’s technical provisions, gross of the amounts recoverable from reinsurance contracts and special purpose vehicles, as referred in Article 76, does not exceed EUR 50,000 000;
contracts and special purpose vehicles does not exceed EUR **25 million**; contracts and special purpose vehicles does not exceed EUR **100 000 000**;


**Justification**

_The thresholds for groups should be amended consistently with the proposed increases of the thresholds for solo entities._

**Amendment 312**

*Marco Zanni, Valentino Grant, Antonio Maria Rinaldi*

Proposal for a directive

Article 1 – paragraph 1 – point 2

Directive 2009/138/EC

Article 4 – paragraph 1 – point c

<table>
<thead>
<tr>
<th>Present text</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR <strong>25 million</strong>;</td>
<td>(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR <strong>65 000 000</strong>;</td>
</tr>
</tbody>
</table>


**Amendment 313**

*Henrike Hahn*

on behalf of the Verts/ALE Group

Proposal for a directive

Article 1 – paragraph 1 – point 2

Directive 2009/138/EC

Article 4 – paragraph 1 – point c
(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR 25 million;

(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR 50 000 000;

Or. en

Amendment 314
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 2
Directive 2009/138/EC
Article 4 – paragraph 1 – point c

(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR 25 million;

(c) where the undertaking belongs to a group, the total of the technical provisions of the group defined as gross of the amounts recoverable from reinsurance contracts and special purpose vehicles does not exceed EUR 50 000 000;

Or. en

Justification
Proportionality in the Solvency II Directive should be set to ensure a level playing field and a high quality supervision.

Amendment 315
Chris MacManus
on behalf of The Left Group
Proposal for a directive
Article 1 – paragraph 1 – point 2 a (new)
Directive 2009/138/EC
Article 4 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(2a) in Article 4(1), the following subparagraph is added:

'Member States may define a threshold different to that laid down in point (a) of the first subparagraph if that different threshold applies to a material number of insurance and reinsurance undertakings with low risk profile and representing a residual market share. Such a threshold shall not exceed EUR 25 000 000.';

Or. en

Justification

EIOPA's proposal for thresholds and exemptions is more appropriate than the Commission's proposal.

Amendment 316
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 2 a (new)
Directive 2009/138/EC
Article 4 – paragraph 4 – subparagraph 1 – introductory part

Present text

Amendment

(2a) in Article 14(4), the first subparagraph is amended as follows:

"Unless decided otherwise by the supervisory authority, this Directive shall cease to apply to those insurance undertakings for which all of the following conditions are met:

"
Or. en


Amendment 317
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point b
Directive 2009/138/EC
Article 13 – paragraph 1 – point 10a

Text proposed by the Commission

(10a) ‘low-risk profile undertaking’ means an insurance and reinsurance undertaking that meets the conditions set out in Article 29a and has been classified as such in accordance with Article 29b;

Amendment

(10a) ‘low-risk profile undertaking’ means an insurance and reinsurance undertaking that meets the conditions set out in Article 29a and has been classified as such in accordance with Article 29b as well as a captive insurance undertaking and a captive reinsurance undertaking;

Or. en

Amendment 318
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point b
Directive 2009/138/EC
Article 13 – paragraph 1 – point 10a

Text proposed by the Commission

(10a) ‘low-risk profile undertaking’ means an insurance and reinsurance undertaking that meets the conditions set out in Article 29a and has been classified as such in accordance with Article 29b;

Amendment

(10a) ‘low-risk profile undertaking’ means an insurance and reinsurance undertaking that meets the conditions set out in Article 29a and has been classified as such in accordance with Article 29b and captive insurance and reinsurance undertakings;

Or. en
Amendment 319
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point b
Directive 2009/138/EC
Article 13 – paragraph 1 – point 10a a (new)

Text proposed by the Commission

Amendment

(10aa) ‘significant cross-border activities’ means insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which has been identified by the relevant supervisory authority of the home Member State and the supervisory authorities of any Member State the undertaking intends to carry-out its business on the basis of its nature, scale and complexity of risk inherent in the business model and pursuant to Article 26(5);

Or. en

Justification

The reliance on a figure of 5% to determine "cross-border activities" is arbitrary and will work against the interest of consumers in smaller Member States

Amendment 320
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point b
Directive 2009/138/EC
Article 13 – paragraph 1 – point 10a a (new)

Text proposed by the Commission

Amendment

(10aa) Significant 'cross-border activities' means:
the total amount of Gross Written Premium in a given Host Member State based on Freedom of Establishment and Freedom of Services business is at least €15 million (i.e. the same threshold used for Solvency II measures to take effect generally); or

- the activities carried out in a Host Member State are “of relevance” to the Host’s market, with EIOPA providing guidance on what “relevance” means.

Amendment 321
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point c a (new)
Directive 2009/138/EC
Article 13 – paragraph 1 – point 17

Present text

‘close links’ means a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship;

Amendment

(c b) Article 13(17) is replaced by the following:

"‘close links’ means a situation in which two or more natural or legal persons are linked by:

(a) participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking;

(b) ‘control’ which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in Article 22(1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural or legal person and an undertaking, any subsidiary
undertaking of a subsidiary undertaking also being considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;

(c) a permanent link of both or all of them to the same person by a control relationship;

"
Text proposed by the Commission

For the purposes of Article 212(1)(f) 'regulated undertaking’ means also an undertaking with no authorization in accordance with Article 14 and subject to supervision under the law of the Member State by the ‘supervisory authority’ within the meaning of Article 13(10);

Amendment

Or. en

Justification

The amended and clarified definition of an insurance holding company under Article 212(1)(f) refers to the definition 'regulated undertaking’. In the interest of a comprehensive approach the definition of a 'regulated undertaking’ shall also consider ownership entities of insurance and reinsurance undertakings that are subject to supervision, but cannot take-up and pursue the business of insurance or reinsurance.

Amendment 324
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 a (new)

Text proposed by the Commission

(41a)  'science-based target' means a target defined on the basis of conclusive scientific evidence and with independent scientific validation, that when achieved by the undertaking ensures that the undertaking’s impacts on sustainability matters, as referred to in Articles 132 and 44(2), will be aligned with the sustainability goals and criteria of the European Union for the specific sustainability matters;

Amendment

Or. en
Amendment 325
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 a (new)

Text proposed by the Commission

Amendment

(41a) ‘science-based target’ is a target defined on the basis of conclusive scientific evidence and with independent scientific validation, that when achieved by the undertaking ensures that the undertaking’s impacts on sustainability matters, as referred to in Articles 132 and 44(1), will be aligned with the sustainability goals and criteria of the European Union for the specific sustainability matters;

Or. en

Amendment 326
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 a (new)

Text proposed by the Commission

Amendment

(41a) ‘fossil fuel sectors’ means sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation EU 2018/1999 of the European Parliament and the Council;

Or. en
Amendment 327  
Eero Heinäluoma, Aurore Lalucq  
Proposal for a directive  
Article 1 – paragraph 1 – point 5 – point i  
Directive 2009/138/EC  
Article 13 – paragraph 1 – point 41 a (new)  

Text proposed by the Commission  

(41a) ‘gender neutral remuneration policy’ means a remuneration policy based on equal pay for male and female workers for equal work or work of equal value;

Amendment 328  
Aurore Lalucq  
Proposal for a directive  
Article 1 – paragraph 1 – point 5 – point i  
Directive 2009/138/EC  
Article 13 – paragraph 1 – point 41(a) (new)  

Text proposed by the Commission  

(41a) ‘science-based target’ means a target defined on the basis of conclusive scientific evidence and with independent scientific validation, that when achieved by the undertaking ensures that the undertaking’s impacts on sustainability matters, as referred to in Articles 132 and 44(1), will be aligned with the sustainability goals and criteria of the European Union for the specific sustainability matters;

Amendment 329  
Henrike Hahn  
on behalf of the Verts/ALE Group
Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 b (new)

Text proposed by the Commission

Amendment

(41b) ‘crypto-assets’ means an asset-reference token, an e-money token or other crypto-asset as defined in [insert reference to MICA regulation];

Or. en

Amendment 330
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 b (new)

Text proposed by the Commission

Amendment

(41b) ‘climate neutrality’ shall be read in accordance with Article 2(1) of the Regulation (EU) 2021/1119 ("European Climate Law");

Or. en

Amendment 331
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 b (new)

Text proposed by the Commission

Amendment

(41b) ‘climate neutrality’ shall be read in accordance with the Article 2 of the Regulation (EU) 2021/1119 (“European
Climate Law”;

Or. en

Amendment 332
Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41(b) (new)

Text proposed by the Commission

Amendment

(41b) ‘climate neutrality’ shall be read in accordance with the Article 2(1) of the Regulation (EU) 2021/1119 (“European Climate Law”);

Or. en

Amendment 333
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 c (new)

Text proposed by the Commission

Amendment

(41c) ’fossil fuel sectors’ means upstream sectors of the economy which produce, process, store, transport or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council\(^a\);

of the Energy Union and Climate Action

Or. en

Amendment 334
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 c (new)

Amendment

Text proposed by the Commission

(41c) ‘fossil fuel sectors’ are sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council;

Or. en

Amendment 335
Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – points 41(c) (new)

Amendment

Text proposed by the Commission

(41c) ‘fossil fuel sectors’ means upstream sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council\(^{1a}\);

Amendment 336
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
 Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 d (new)

Text proposed by the Commission

Amendment

(41d) ‘sustainability risk’ means:
(a) as regards investments, sustainability risk as defined in Article 2, point (22), of Regulation (EU) 2019/2088 of the European Parliament and of the Council;
(b) as regards liabilities, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the liability;

Amendment 337
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
 Directive 2009/128/EC
Article 13 – paragraph 1 – point 41 d (new)

Text proposed by the Commission

Amendment

(41d) ’sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability in line with Article 2(22) of Regulation (EU) 2019/2088;
Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – points 41(d) (new)

Text proposed by the Commission

(41d) ‘sustainability risk’ means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability in line with Article 2(22) Regulation (EU)2019/2088

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – points 41(e) (new)
Text proposed by the Commission


Or. en

Amendment 340
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 e (new)

Text proposed by the Commission

(41e) 'sustainability factors' means sustainability factors as defined in Article 2, point (24) of Regulation (EU) 2019/2088 of the European Parliament and of the Council;

\[1a\]

Or. en

Amendment 341
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 e (new)
‘sustainability factor’ means sustainability factor as defined in Article 2, point (24), of Regulation (EU) 2019/2088;

Or. en

Amendment 342
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 f (new)

'transition plan' is the plan of an insurance or reinsurance undertaking to ensure that its business model and strategy are compatible with the transition to a sustainable economy and with the goals of the Paris Agreement to limit global warming to 1.5°C with no or limited overshoot, including plans to address the greenhouse gas emissions associated directly or indirectly with its asset and insurance portfolios;

Or. en

Amendment 343
Paul Tang

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 f (new)

'stewardship’ is the engagement
strategy of the insurance or reinsurance undertaking to steer the activities of the assets it is holding (where its shareholders’ rights allow) and to influence the strategy and business of the firms in which it is investing, in order to progress towards sustainable economic activities and towards a more positive impact on sustainability factors;

Or. en

Amendment 344
Chris MacManus

Proposal for a directive
Article 1 – paragraph 1 – point 5 – point i
Directive 2009/138/EC
Article 13 – paragraph 1 – point 41 g (new)

Text proposed by the Commission

Amendment

(41g) 'stewardship' is the engagement strategy of the insurance or reinsurance undertaking to steer the activities of the assets it holds, as its shareholders’ rights allow, and to influence the strategy and business of the firms in which it invests, in order to progress towards sustainable economic activities and towards a more positive impact on sustainability factors;

Or. en

Amendment 345
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2009/138/EC
Article 18 – paragraph 1 – point i a (new)
Text proposed by the Commission

(1 a) to show evidence that it will not be significantly exposed to money laundering and terrorist financing risks;

Amendment

Or. en

Amendment 346
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 6
Directive 2009/138/EC
Article 18 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

For the purpose of assessing the criterion referred to in point (1 a) (new) of this paragraph, supervisory authorities shall consult the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849.

Amendment

Or. en

Amendment 347
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 9
Directive 2009/138/EC
Article 25 – paragraph 3 a (new) and 3 b (new)

Text proposed by the Commission

Supervisory authorities shall refuse authorisation of the insurance or reinsurance undertaking at least where there are reasonable grounds to suspect that:

Amendment
a) the management body of the applicant insurance or reinsurance undertaking poses a threat to its effective, sound and prudent management and business continuity, and to the adequate consideration of the interest of policyholders and the integrity of the market, or exposes the insurance or reinsurance undertaking to a serious risk of money laundering or terrorism financing;

b) the applicant is likely to fail to meet any requirements of this Directive;

c) the authorisation of an undertaking would lead to money laundering of terrorist financing activities.

For the purpose of assessing the aspects related to money laundering or terrorism financing risks referred to in points a) and c) of the previous paragraph, supervisory authorities shall consult competent authorities for AML/CFT supervision as defined in [insert reference to AMLD]. An objection in writing by the authorities competent for the supervision of the obliged entities in accordance with [insert reference to AMLD] shall constitute reasonable grounds for refusal.

Amendment 348
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 11
Directive 2009/138/EC
Article 26 – paragraph 4

Text proposed by the Commission

4. Where several supervisory authorities need to be consulted pursuant to paragraph 1, any supervisory authority concerned may request the supervisory

Amendment

4. Where several supervisory authorities need to be consulted pursuant to paragraph 1, any supervisory authority concerned may request additional
authority of the home Member State to jointly assess the application for authorisation. The supervisory authority of the home Member State shall consider the conclusions of the joint assessment when taking its final decision.

information from the supervisory authority of the home Member State. The supervisory authority of the home Member State shall consider the views of all concerned supervisors when taking its final decision including the determination of “significant cross-border activities”. The supervisory authority of the home Member States shall notify all concerned supervisory authorities about the outcome and reason for its decision to all supervisory authorities consulted pursuant to paragraph 1 and to EIOPA.

Amendment 349
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Article 1 – paragraph 1 – point 11
Directive 2009/13/8/EC
Article 26 – paragraph 4

Text proposed by the Commission

4. Where several supervisory authorities need to be consulted pursuant to paragraph 1, any supervisory authority concerned may request the supervisory authority of the home Member State to jointly assess the application for authorisation. The supervisory authority of the home Member State shall consider the conclusions of the joint assessment when taking its final decision.

Amendment

4. Where several supervisory authorities need to be consulted pursuant to paragraph 1, any supervisory authority concerned may request additional information from the supervisory authority of the home Member State to jointly assess the application for authorisation. The supervisory authority of the home Member State shall consider the conclusions of the joint assessment when taking its final decision and report the outcome and reason for its decision to all supervisory authorities consulted pursuant to paragraph 1 and to EIOPA.
Amendment 350  
Chris MacManus  
on behalf of The Left Group

Proposal for a directive  
Article 1 – paragraph 1 – point 11  
Directive 2009/138/EC  
Article 26 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. The supervisory authority of the home Member State shall assess the nature, scale and complexity of the risks inherent in the business model of the insurance undertaking for any of the markets in which the insurance undertaking seeks authorisation for carrying out its business. The home Member State may consult with the relevant supervisory authority of host Member States and shall inform the relevant supervisory authority and EIOPA about the conclusion of this assessment. Where the relevant supervisory authority disagrees with the assessment, EIOPA may, at the request of any relevant supervisory authority, assist the supervisory authorities in reaching an agreement.

Or. en

Justification

This amendment would empower host supervisory authorities to challenge home Member State authorities where it impacts on their market.

Amendment 351  
Frances Fitzgerald

Proposal for a directive  
Article 1 – paragraph 1 – point 11 a (new)  
Directive 2009/138/EC  
Article 27 a (new)
Text proposed by the Commission

(11a) the following Article is inserted:

‘Article 27a

Additional objectives of supervision

Without prejudice to the main objective of supervision as set out in Article 27, Member States shall ensure that, in the exercise of their general duties, supervisory authorities shall duly consider the potential impact of their decisions on:

(a) the competitiveness of the Union’s insurance and reinsurance undertakings in the global market and fair competition across the single market;

(b) the stability of the financial systems concerned in the European Union, in particular in emergency situations, taking into account the information available at the relevant time.

In times of exceptional movements in the financial markets, supervisory authorities shall take into account the potential procyclical effects of their actions.’

Or. en

Amendment 352
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point b
Directive 2009/138/EC
Article 29 – paragraph 6

Text proposed by the Commission

6. In order to ensure consistent supervisory practices in the application of proportionality, EIOPA shall develop guidelines to facilitate common supervisory tools and further specifying the methodology to be used when classifying

Amendment

6. In order to ensure consistent supervisory practices in the application of proportionality, EIOPA shall develop guidelines to facilitate common supervisory tools and further specifying the methodology to be used when classifying
insurance and reinsurance undertakings as low-risk profile undertakings.

EIOPA shall review and update these guidelines every second year.

Amendment 353
Eero Heinäläuma, Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a

Text proposed by the Commission

[...]

Amendment

1. Member States shall ensure that insurance and reinsurance undertakings are classified as low-risk profile undertakings, according to the process set out in Article 29b, where, in the last two consecutive financial years prior to such classification, they meet all the following seven criteria:

(a) Life undertakings whose ratio of the gross SCR for interest rate risk submodule over the gross technical provisions is not higher than 5%. This criterion applies to undertakings pursuing both life and non-life insurance activities only when the life business is material;

(b) Life undertakings, excluding the index/unit linked business, whose investment returns is higher than the average guaranteed interest rates and non-life undertakings whose combined ratio is less than 100 percent. Undertakings pursuing both life and non-life insurance activities are required to fulfil both criteria for life or non-life business. In case one of the two type of business is not material, composite undertakings are not required to apply the criteria regarding that type of business;

(c) Undertakings not underwriting more
than 5% of annual gross written premiums outside of its home jurisdiction;

(d) Life-undertakings with gross technical provision not higher than EUR 1 000 000 000 and non-life undertakings with gross written premiums (GWP) not higher than EUR 100 000 000. Undertakings pursuing both life and non-life insurance activities are required to fulfil both the above mentioned criteria;

(e) Non-life and composite undertakings not underwriting more than 30% of the annual gross written premiums in Marine, Aviation and transport or Credit and Suretyship lines of business;

(f) Undertakings not investing in non-traditional investments more than 20% of their total investments (i.e. traditional investments should account for at least 80% of the total investments). For the purpose of this point, traditional investments are considered bonds, equities, cash and cash equivalents and deposits and total investments are considered all the investments excluding investments covering unit-index linked contracts, excluding Property (for own use), excluding Plant and equipment (for own use) Property (under construction for own use) and including derivatives;

(g) Undertakings whose accepted reinsurance, measured by gross written premium, is not higher than 50%.

Amendment 354
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – introductory part
1. Member States shall ensure that insurance and reinsurance undertakings are classified as low-risk profile undertakings, according to the process set out in Article 29b, where, for two consecutive financial years prior to such classification, they meet all the following criteria:

Amendment 355
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point ii

Text proposed by the Commission
Amendment

(ii) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5 % of its total annual gross written premium;

Or. en

Amendment 356
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point ii

Text proposed by the Commission
Amendment

(ii) business underwritten in Member States other than the home Member State where the undertaking received its
authorisation in accordance with Article 14 is *not higher than* 5% of its total annual gross written premium; authorisation in accordance with Article 14 is *lower than at least one of the two following thresholds*: EUR 15 000 000 or 5% of its total annual gross written premium;

Or. en

*Justification*

*Proportionality in the Solvency II Directive should be set to ensure a level playing field and a high quality supervision.*

**Amendment 357**  
Stéphanie Yon-Courtin, Gilles Boyer

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 13**  
Directive 2009/138/EC  
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point iv

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(iv) <em>investments in non-traditional investments do not represent more than 20% of total investments</em>;</td>
<td>(iv) <em>the gross market risk module referred to in Article 105(5) is not higher than 15% of total investments</em>;</td>
</tr>
</tbody>
</table>

Or. en

*Justification*

*This criterion is not risk-based and should not be part of the definition of low-risk profile undertakings.*

**Amendment 358**  
Henrike Hahn  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 13**  
Directive 2009/138/EC  
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point iv
(iv) investments in non-traditional investments do not represent more than 20% of total investments;

Amendment
(iv) investments in non-traditional investments do not represent more than 10% of total investments;

Amendment 359
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point iv

Text proposed by the Commission
(iv) investments in non-traditional investments do not represent more than 20% of total investments;

Amendment
(iv) investments in non-traditional investments do not represent more than 30% of total investments;

Amendment 360
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point v a

Text proposed by the Commission
(v a) the Solvency Capital Requirement is complied with and a capital add-on has not been set;

Amendment
(v a) the Solvency Capital Requirement is complied with and a capital add-on has not been set;
Amendment 361
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point a – subparagraph 1 – point v b

Text proposed by the Commission

(v b) the insurance or reinsurance undertaking has not been convicted or been under investigations for committing or permitting money laundering or terrorist financing activities as defined in [insert reference to AMLD].

Amendment 362
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point ii

Text proposed by the Commission

(ii) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5 % of its total annual gross written premium;

Amendment 363
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point ii

Text proposed by the Commission

(ii) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5% of its total annual gross written premium;

Amendment

(ii) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is lower than at least one of the two following thresholds: EUR 15 000 000 or than 5% of its total annual gross written premium;

Or. en

Justification

Proportionality in the Solvency II Directive should be set to ensure a level playing field and a high quality supervision.

Amendment 364
Markus Ferber

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point iii

Text proposed by the Commission

(iii) the annual gross written premium is not higher than EUR 100 000 000;

Amendment

(iii) the undertaking represents less than 10% of the home Member State’s non-life insurance market, where the market share is based on gross written premium;

Or. en

Justification

Technical correction of AM 48.

Amendment 365
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi
Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point v

Text proposed by the Commission
(v) investments in non-traditional investments do not represent more than 20% of total investments;

Amendment
(v) investments in non-traditional investments do not represent more than 30% of total investments;

Or. en

Amendment 366
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point v

Text proposed by the Commission
(v) investments in non-traditional investments do not represent more than 20% of total investments;

Amendment
(v) investments in non-traditional investments do not represent more than 10% of total investments;

Or. en

Amendment 367
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point v

Text proposed by the Commission
(v) investments in non-traditional investments do not represent more than 20% of total investments;

Amendment
(v) the gross market risk module referred to in Article 105(5) is not higher than 15% of total investments;
This criterion is not risk-based and should not be part of the definition of low-risk profile undertakings.

Amendment 368
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point vi a (new)

Text proposed by the Commission

Amendment

(vi a) the Solvency Capital Requirement is complied with and a capital add-on has not been set;

Amendment 369
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point b – subparagraph 1 – point vi b (new)

Text proposed by the Commission

Amendment

(vi b) the insurance or reinsurance undertaking has not been convicted or been under investigations for committing or permitting money laundering or terrorist financing activities as defined in [insert reference to AMLD].
Amendment 370
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point v

Text proposed by the Commission

(v) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5 % of its total annual gross written premium;

Amendment

(v) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5 % of its total annual gross written premium;

Or. en

Amendment 371
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point v

Text proposed by the Commission

(v) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is not higher than 5 % of its total annual gross written premium;

Amendment

(v) business underwritten in Member States other than the home Member State where the undertaking received its authorisation in accordance with Article 14 is lower than at least one of the two following thresholds: EUR 15 000 000 or than 5 % of its total annual gross written premium;

Or. en

Justification

Proportionality in the Solvency II Directive should be set to ensure a level playing field and a high quality supervision.
Amendment 372
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point vii

<table>
<thead>
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<tr>
<td>(vii) investments in non-traditional investments do not represent more than 20% of total investments;</td>
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</table>

Or. en

Amendment 373
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point vii

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</table>

Or. en

Amendment 374
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point vii

<table>
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<tr>
<td>(vii) investments in non-traditional investments do not represent more than</td>
<td>(vii) the gross market risk module referred to in Article 105(5) is not higher</td>
</tr>
</tbody>
</table>

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20% of total investments; than 15% of total investments;

Or. en

Justification

This criterion is not risk-based and should not be part of the definition of low risk profile undertakings.

Amendment 375
Henrike Hahn on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point viii a (new)

Text proposed by the Commission Amendment
(viii a) the Solvency Capital Requirement is complied with and a capital add-on has not been set;

Or. en

Amendment 376
Henrike Hahn on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 1 – point c – subparagraph 1 – point viii b (new)

Text proposed by the Commission Amendment
(viii b) the insurance or reinsurance undertaking has not been convicted or been under investigations for committing or permitting money laundering or terrorist financing activities as defined in [insert reference to AMLD].

Or. en
Amendment 377
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 2

Text proposed by the Commission

For the purpose of this Article, traditional investments shall consist of bonds, equities, cash and cash equivalents and deposits and total investments shall consist of all assets, including derivatives, and excluding investments covering unit-index linked contracts, excluding property for own use, excluding plant and equipment for own use, excluding property under construction for own used.

Amendment

For the purpose of this Article, traditional investments shall consist of bonds, equities, cash and cash equivalents and deposits and total investments shall consist of all assets, including derivatives, and excluding investments covering unit-index linked contracts, excluding property for own use, excluding plant and equipment for own use, excluding property under construction for own used.

Or. en

Justification

The criterion of non-traditional investments is not risk-based and should not be part of the definition of low risk profile undertakings.

Amendment 378
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 1 – subparagraph 2

Text proposed by the Commission

For the purpose of this Article, traditional investments shall consist of bonds, equities, real estate, loans including private loans, promissory notes and mortgages, cash and cash equivalents and deposits. Total investments shall consist of all assets, including derivatives, and

Amendment

For the purpose of this Article, traditional investments shall consist of bonds, equities, real estate, loans including private loans, promissory notes and mortgages, cash and cash equivalents and deposits. Total investments shall consist of all assets, including derivatives, and
own use, excluding plant and equipment for own use, excluding property under construction for own use.

excluding investments covering unit-linked contracts, excluding property and equipment for own use, excluding property under construction for own use.

Or. en

Amendment 379
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29a – paragraph 3 – point a

Text proposed by the Commission

(a) undertakings using an approved partial or full internal model to calculate the Solvency Capital Requirement, in accordance with the requirements for full and partial internal models set out in Chapter VI, Section 4, Subsection 3;

Amendment

deleted

Or. en

Amendment 380
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29b – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that insurance and reinsurance undertakings complying with the conditions set out in Article 29a(1) and (3) may notify the supervisory authority of such compliance with a view to be classified as low-risk profile undertakings.

Amendment

1. Member States shall ensure that insurance and reinsurance undertakings complying with the conditions set out in Article 29a(1) and (3) may notify the supervisory authority of such compliance and classification as low-risk profile undertakings.

Or. en
Amendment 381
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29b – paragraph 2 – point b

Text proposed by the Commission  
(b) a declaration that the undertaking does not plan any strategic change that would lead to non-compliance with the criteria set out in Article 29a within the next three years;

Amendment
deleted

Or. en

Amendment 382
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29b – paragraph 2 – point b

Text proposed by the Commission  
(b) a declaration that the undertaking does not plan any strategic change that would lead to non-compliance with the criteria set out in Article 29a within the next three years;

Amendment
(b) a declaration that the undertaking does not plan any strategic change that would lead to non-compliance with the criteria set out in Article 29a within the next five years;

Or. en

Amendment 383
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
3. The supervisory authority may oppose the classification as low-risk profile undertaking within one month of receipt of the notification referred to in paragraph 1 of this Article on grounds related exclusively to the non-compliance with the conditions foreseen under Article 29a. A decision of the supervisory authority to oppose to the classification shall be done in writing and state the reasons of the supervisory authority’s disagreement. Absent such decision, the insurance undertaking shall be classified as low-risk profile undertaking as of the end of the one month opposition period or an earlier date where the supervisory authority has issued a decision earlier confirming compliance with criteria.

Absence of a decision should not be treated as a positive decision.

Amendment 384
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29b – paragraph 3

3. The supervisory authority may oppose the classification as low-risk profile undertaking within one month of receipt of the notification referred to in paragraph 1 of this Article on grounds related exclusively to the non-compliance with the conditions foreseen under Article 29a. A decision of the supervisory authority to oppose to the classification shall be done in writing and state the reasons of the supervisory authority’s disagreement. Absent such decision, the insurance undertaking shall not be classified as low-risk profile undertaking.
The conditions foreseen under Article 29a. A decision of the supervisory authority to oppose to the classification shall be done in writing and state the reasons of the supervisory authority’s disagreement. Absent such decision, the insurance undertaking shall be classified as low-risk profile undertaking as of the end of the one month opposition period or an earlier date where the supervisory authority has issued a decision earlier confirming compliance with criteria.

Text proposed by the Commission

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29b – paragraph 5 – subparagraphs 1 a (new) and 1 b (new)

When a low-risk profile undertaking no longer holds sufficient eligible own funds to cover the Solvency Capital Requirement, it shall cease to be classified as low-risk profile undertaking immediately.

When a low-risk profile undertaking no longer holds sufficient eligible own funds to cover the Solvency Capital Requirement without the use of transitory measures, it shall cease to be classified as low-risk profile undertaking immediately.

Amendment 386
Eero Heinäluoma, Aurore Lalucq
Proposal for a directive  
Article 1 – paragraph 1 – point 13  
Directive 2009/138/EC  
Article 29c – paragraph 1  

Text proposed by the Commission

1. Member States shall ensure that, without prejudice to specific requirements set out in each proportionality measure, insurance and reinsurance undertakings classified as low-risk profile undertakings may use all the proportionality measures provided for in Article 35(5a), Article 41, Article 45(1b), Article 45(5), Article 45a(5), Article 51(6), Article 51a(1), Article 77(7) and Article 144a(4), and any proportionality measure provided for in the delegated acts adopted pursuant to this Directive.

Amendment

1. Member States shall ensure that, without prejudice to specific requirements set out in each proportionality measure, insurance and reinsurance undertakings classified as low-risk profile undertakings may make use of the proportionality measures provided for in Article 35(5a), Article 41, Article 45(1b) Article 45(5), Article 51(6), Article 51a(1), Article 77(7) and Article 144a(4).

Or. en

Amendment 387
Frances Fitzgerald

Proposal for a directive  
Article 1 – paragraph 1 – point 13  
Directive 2009/138/EC  
Article 29c – paragraph 2  

Text proposed by the Commission

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may, in exceptional circumstances, request the undertaking concerned to refrain from using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking and the specificities or change of its risk profile.

Amendment

deleted
Amendment 388  
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive  
Article 1 – paragraph 1 – point 13  
Directive 2009/138/EC  
Article 29c – paragraph 2

Text proposed by the Commission

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may, in exceptional circumstances, request the undertaking concerned to refrain from using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking and the specificities or change of its risk profile.

Amendment

2. By way of derogation from paragraph 1, where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may in exceptional circumstances, request the undertaking concerned to refrain from using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking with reference to the specific concerns relating to the risk profile of the undertaking. This power may be exercised where the serious concerns relate to:

(a) the undertaking’s solvency position, assessed with and without the use of any of the transitional measures referred to in Article 77a(2), Article 308c, Article 308d and, where relevant, Article 111(1), [second] subparagraph; or

(b) severe deficiencies in the functioning of the undertaking’s system of governance; or

(c) material changes in the activities of the undertaking that affect the undertaking’s compliance with any of the criteria set out in Article 29a(1).
Amendment 389
Chris MacManus
on behalf of The Left Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29c – paragraph 2

Text proposed by the Commission

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may, in exceptional circumstances, request the undertaking concerned to refrain from using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking and the specificities or change of its risk profile.

Amendment

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority shall request the undertaking concerned to refrain from using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking and the specificities or change of its risk profile.

Or. en

Justification

Serious concerns must be acted upon.

Amendment 390
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29c – paragraph 2

Text proposed by the Commission

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may, in exceptional circumstances, request the undertaking concerned to refrain from

Amendment

2. Where the supervisory authority has serious concerns in relation to the risk profile of a low-risk profile undertaking, the supervisory authority may request the undertaking concerned to refrain from using one or several proportionality
using one or several proportionality measures listed in paragraph 1 provided this is justified in writing on consideration of the impact on the organisation of the undertaking and the specificities or change of its risk profile.

Amendment 391
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29d – paragraph 2

2. The supervisory authority shall, within two months of receipt, assess the request and inform the undertaking of its approval or rejection, as well as of the proportionality measures granted. Where the supervisory authority approves the use of proportionality measures under certain terms or conditions, the approval decision shall contain the reasons for those terms and conditions. A decision of the supervisory authority to oppose the use of one or several proportionality measures listed in the request submitted by the undertaking shall be done in writing, and state the reasons for the supervisory authority’s decision. Such reasons shall be linked to the risk profile of the undertaking,

Amendment 392
Henrike Hahn
on behalf of the Verts/ALE Group

2. The supervisory authority shall, within three months of receipt, assess the request and inform the undertaking of its approval or rejection, as well as of the proportionality measures granted. Where the supervisory authority approves the use of proportionality measures under certain terms or conditions, the approval decision shall contain the reasons for those terms and conditions. A decision of the supervisory authority to oppose the use of one or several proportionality measures listed in the request submitted by the undertaking shall be done in writing, and state the reasons for the supervisory authority’s decision. Such reasons shall be linked to the risk profile of the undertaking,

Or. en
Proposal for a directive
Article 1 – paragraph 1 – point 13
Directive 2009/138/EC
Article 29d – paragraph 4

Text proposed by the Commission

4. With respect to requests received by supervisory authorities within the first six months of [OP please insert date = date of application of this Directive], the period referred to in paragraph 2 shall be four months.

Amendment

4. With respect to requests received by supervisory authorities within the first six months of [OP please insert date = date of application of this Directive], the period referred to in paragraph 2 shall be six months.

Or. en

Amendment 393
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 14 a (new)
Directive 2009/138/EC
Article 30a (new)

Text proposed by the Commission

(14 a) the following Article 30a is inserted:

‘Article 30a

Supervisory independence and responsibilities

1. Member States shall ensure that supervisory authorities have the expertise, resources, operational capacity, powers and independence necessary to carry out the functions relating to prudential supervision, investigations and the enforcement measures set out in this Directive.

2. For the purposes of preserving the independence of supervisory authorities in the exercise of their powers, Member State shall provide all the necessary arrangements to ensure that those
supervisory authorities, including their staff and members of their governance bodies, can act independently and objectively, without seeking or taking instructions, or being subject to influence from supervised undertakings, from any government of a Member State or body of the Union or from any other public or private body. These arrangements shall be without prejudice to the rights and obligations of the supervisory authorities as stemming from being part of the European system of financial supervision as provided in Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010.

Member States shall, in particular, ensure that supervisory authorities have in place all the necessary arrangements to prevent conflicts of interests of their staff and members of their governance bodies. For those purposes, Member States shall lay down rules proportionate to the role and responsibilities of those staff and members of the governance bodies, and at a minimum prohibiting them from:

(a) trading in financial instruments issued by or referenced to the undertakings supervised by the supervisory authorities, their direct or indirect parent undertakings, subsidiaries or affiliates;

(b) following the end of their employment at the supervisory authority, being hired by or accepting any kind of contractual agreement for the provision of professional services with any of the following:

(i) undertakings they have directly supervised, including their direct or indirect parent undertakings, subsidiaries or affiliates, over at least the two preceding years from the date when taking up any new role;

(ii) undertakings that are direct competitors of institutions referred to in point (i), over at least 6 preceding months from the date when taking up any new
role;

(iii) firms that provide services to any of the undertakings referred to in point (i) that were directly supervised over at least the two preceding years from the date when taking up any new role, unless they are strictly precluded from taking part in any provision of those services while the prohibition referred to herein remains in force.

Members of staff and of governance bodies subject to the prohibitions provided for in the second subparagraph, point (b), shall be entitled to an appropriate compensation for the inability to take up a prohibited role.

Member States shall lay down appropriate rules, including regarding the access to confidential or sensitive data, for the staff and members of governance bodies for their resignation period when they plan to join one of the firms referred to in the second subparagraph, point (b).

3. Member States shall require staff and members of governance bodies to declare their financial interests prior to taking up any position in supervisory authorities.

4. Member States shall require staff and members of governance bodies to sit back for any supervisory activity or decision that might create a conflict of interest. Prior to the appointment of a staff member, supervisory authorities shall assess whether there may be a conflict of interests resulting from the candidate’s previous occupational activities or their close personal relationship to members of the Management Board of supervised undertakings.

5. The EIOPA shall issue guidelines addressed to the supervisory authorities, in accordance with Article 16 of Regulation (EU) No 1094/2010, on the prevention of conflicts of interests in and independence of competent authorities, taking into account international best
practices, for the proportionate application of this Article.'

Amendment 394
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 14 b (new)
Directive 2009/138/EC
Article 31 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(14b) in Article 31(2) the following point is added:
‘(e a) the number of the supervisory authority staff members that left the supervisory authority to join an undertaking supervised by the authority;’

Amendment 395
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 14 c (new)
Directive 2009/138/EC
Article 31 – paragraph 2 – subparagraph 3

Present text

Amendment

(14c) subparagraph 3 of Article 31(2) is replaced by the following:
"The disclosure shall be made in a common format and be updated regularly. The information referred to in points (a) to (e) of the first subparagraph shall be accessible at a single electronic location in each Member State."
1. In the event of significant cross-border activities carried out by insurance and reinsurance undertakings under the right of establishment or the freedom to provide services, the supervisory authority of the home Member State shall cooperate with the supervisory authority of the host Member State to assess whether the insurance undertaking has a clear understanding of the risks that it faces, or may face, in the host Member State.
with the supervisory authority of the host Member State to assess whether the insurance undertaking has a clear understanding of the risks that it faces, or may face, in the host Member State.

supervisor, the supervisory authority of the home Member State shall cooperate with the supervisory authority of the host Member State to assess whether the insurance undertaking has a clear understanding of the risks that it faces, or may face, in the host Member State.

Or. en

Amendment 398
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. In the event of significant cross-border activities carried out by insurance and reinsurance undertakings under the right of establishment or the freedom to provide services, the supervisory authority of the home Member State shall cooperate with the supervisory authority of the host Member State to assess whether the insurance undertaking has a clear understanding of the risks that it faces, or may face, in the host Member State.

Amendment

1. In the event of significant cross-border activities carried out by insurance and reinsurance undertakings under the right of establishment or the freedom to provide services, the supervisory authority of the home Member State shall cooperate with the supervisory authority of the host Member State to assess whether the insurance undertaking has a clear understanding and a sound management of the risks that it faces, or may face, in the host Member State.

Or. en

Amendment 399
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 1 – subparagraph 1 a (new)
Text proposed by the Commission

1 a. The supervisory authority of the host Member State shall be obliged to cooperate with the supervisory authority of the home Member State.

Amendment

Or. en

Amendment 400
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 1 – subparagraph 2 – introductory part

Text proposed by the Commission

This cooperation shall cover at least the following aspects:

Amendment

The intensity and the frequency of this cooperation shall be tailored to the risks entailed by the significant cross-border activities and shall cover at least the following aspects:

Or. en

Justification

In order to be effective, supervision in the Union should be strengthened in the case of significant cross-border activities.

Amendment 401
Frances Fitzgerald

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 1 – subparagraph 2 – point b

Text proposed by the Commission

(b) outsourcing arrangements and distribution partnerships;

Amendment

(b) outsourcing and distribution partnerships;

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Amendment 402
Christophe Hansen

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 2

_text proposed by the Commission_

2. The supervisory authority of the home Member State shall, in a timely manner, inform the supervisory authority of the host Member State about the outcome of its supervisory review process related to the cross-border activity where potential issues of compliance with the provisions applicable in the host Member State have been identified.

_text proposed by the Commission_

2. The supervisory authority of the home Member State shall, in a timely manner, inform the supervisory authority of the host Member State about the outcome of its supervisory review process related to the cross-border activity _and the host supervisor should advise on_ potential issues of compliance with the provisions applicable in the host Member State have been identified.

Amendment 403
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 2

_text proposed by the Commission_

2. The supervisory authority of the home Member State shall, in a timely manner, inform the supervisory authority of the host Member State about the outcome of its supervisory review process related to the cross-border activity where potential issues of compliance with the provisions applicable in the host Member State have been identified.

_text proposed by the Commission_

2. The supervisory authority of the home Member State shall, in a timely manner, inform the supervisory authority of the host Member State about the outcome of its supervisory review process related to the cross-border activity where potential issues of compliance with the provisions applicable in the host Member State have been identified. _Supervisors should consider developing new tools and_
skills for the supervision of digitalised insurers and enhancing cooperation to ensure transparency as well as an efficient and timely exchange of information.

Or. en

Amendment 404
Stéphanie Yon-Courtin, Gilles Boyer

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 3

Text proposed by the Commission

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which exceed 5% of the annual gross written premium of the undertaking, measured with reference to the last available financial statement of the undertaking;

Amendment

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which meet at least one out of the two following requirements:

(a) the total annual gross written premium of an undertaking corresponding to the activities carried out in a given host Member State under the right of establishment and under the freedom to provide services exceed EUR 15 000 000;

(b) the activities carried out under the right of establishment or under the freedom to provide services are of relevance with respect to the host Member State’s market, in particular when the activities are considered as relevant by the supervisory authority of the host Member State.

For the purpose of point (b), EIOPA shall
issue Regulatory Technical Standards in accordance with Article 10 of Regulation (EU) 1094/2010 to further specify the conditions and cases to be used when determining which insurance or reinsurance undertakings are of relevance with respect to the host Member State’s market.

For the purpose of point (b), in case the supervisory authority of the host Member State considers the activities carried out under the right of establishment or under the freedom to provide services are of relevance with respect to the host Member State’s market, it shall notify the supervisory authority of the home Member State. In case the supervisory authority of the home Member State disagrees on the relevance of the activities carried out under the right of establishment or under the freedom to provide services, it shall notify the supervisory authority of the host Member State within one month.

In case of a disagreement on the relevance of the activities carried out under the right of establishment or under the freedom to provide services, the supervisory authorities shall refer the matter to EIOPA and request its assistance in accordance with Article 19 of Regulation (EU) No 1094/2010.

Or. en

Justification

In order to be effective, supervision in the Union should be strengthened in the case of significant cross-border activities.

Amendment 405

Chris MacManus
on behalf of The Left Group

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 3

**Text proposed by the Commission**

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which exceed 5 % of the annual gross written premium of the undertaking, measured with reference to the last available financial statement of the undertaking.

**Amendment**

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State where these activities are of relevance with respect to the host Member State’s market, in particular when the activities are considered as relevant by the supervisory authority of the host Member State.

**Justification**

The reliance on a figure of 5% to determine "cross-border activities" is arbitrary and will work against the interest of consumers in smaller Member States.

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**Amendment 406**

Christophe Hansen

Proposal for a directive
Article 1 – paragraph 1 – point 15
Directive 2009/138/EC
Article 33a – paragraph 3

**Text proposed by the Commission**

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which exceed 5 % of the annual gross written premium of the undertaking, measured with reference to the last available financial statement of

**Amendment**

3. For the purpose of this Article, ‘significant cross-border activities’ are insurance and reinsurance activities carried out by an insurance or reinsurance undertaking under the right of establishment and those carried out under the freedom to provide services in a given host Member State, which are deemed significant by the home and host supervisors, based on a qualitative assessments;
the undertaking.

Or. en

Amendment 407
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point a
Directive 2009/138/EC
Article 35 – paragraph 1

Text proposed by the Commission
Member States shall require insurance and reinsurance undertakings to submit to the supervisory authorities the information which is necessary for the purposes of supervision, taking into account the objectives of supervision laid down in Articles 27 and 28 and the general principles of supervision laid down in Article 29.

Amendment
Member States shall require insurance and reinsurance undertakings to submit to the supervisory authorities the information which is necessary for the purposes of supervision, taking into account the objectives of supervision laid down in Articles 27 and 28 and the general principles of supervision, in particular the principle of proportionality, laid down in Article 29.

Or. en

Amendment 408
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point a
Directive 2009/138/EC
Article 35 – paragraph 1

Text proposed by the Commission
Member States shall require insurance and reinsurance undertakings to submit to the supervisory authorities the information which is necessary for the purposes of supervision, taking into account the objectives of supervision laid down in Articles 27 and 28 and the general principles of supervision laid down in Article 29.

Amendment
Member States shall require insurance and reinsurance undertakings to submit to the supervisory authorities the information which is necessary for the purposes of supervision, taking into account the objectives of supervision laid down in Articles 27 and 28 and the general principles of supervision.
principles of supervision laid down in Article 29.; Insurance and reinsurance undertakings shall also submit to their supervisory authorities the transition plan referred to in Article 44a.;

Amendment 409
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point b
Directive 2009/138/EC
Article 35 – paragraph 5a – subparagraph 2 – point a

Text proposed by the Commission

(a) every three years, for low-risk profile undertakings;

Amendment

(a) every five years, for low-risk profile undertakings;

Or. en

Amendment 410
Eero Heinäluoma, Aurore Lalucq

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point b
Directive 2009/138/EC
Article 35a – paragraph 5a – subparagraph 2 – point a

Text proposed by the Commission

(a) every three years, for low-risk profile undertakings;

Amendment

(a) every three years, for low-risk profile undertakings. In exceptional circumstances and based on duly justified reasons, a supervisory authority may require low risk profile undertakings to report more frequently;

Or. en
Amendment 411
Henrike Hahn
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point b
Directive 2009/138/EC
Article 35 – paragraph 5a – subparagraph 2 – point b

Text proposed by the Commission

(b) at least every **three** years for insurance and reinsurance undertakings other than low-risk profile undertakings.;

Amendment

(b) at least every **two** years for insurance and reinsurance undertakings other than low-risk profile undertakings.;

Or. en

Amendment 412
Marco Zanni, Valentino Grant, Antonio Maria Rinaldi

Proposal for a directive
Article 1 – paragraph 1 – point 16 – point g
Directive 2009/138/EC
Article 35 – paragraph 12 – subparagraph 1 – point b a (new)

Text proposed by the Commission

(b a) reduce compliance costs, in particular for low-risk profile undertakings;

Amendment

Or. en