



**Markt/2533/06
November 2006**

Solvency I

Results of the annual review of the amount of the minimum guarantee fund (life and non-life) and the premium and claims indices (non-life)

The purpose of this note is:

To present results of the annual review of the minimum guarantee fund (life and non-life) and the premium and claims indices (non-life) required under Article 1(5) of Directive 2002/12/EC¹ and Article 1(3) of Directive 2002/13/EC².

The review has been conducted in accordance with the methodology proposed and agreed at 36th meeting of the Insurance Committee held on 1st December 2004³. The review indicates that the increase in the consumer price index since the last adaptation does not exceed 5 %. As a consequence no adaptation of the minimum guarantee fund, premium and claims index figures are required.

Question to the Members of the EIOPC:

- *Do you agree that the consumer price index has increased by less than 5 % since the last adaptation?*
- *Do you agree that no adaptation of the minimum guarantee fund, premium and claims index figures are required?*

¹ OJ L 77, 20.3.2002

² OJ L 77, 20.3.2002

³ MARKT/2520/04

1. BACKGROUND

At the 36th meeting of the Insurance Committee the Commission proposed a methodology for the annual review of the minimum guarantee fund (life and non-life) and the premium and claims indices (non-life) required under Article 1(5) of Directive 2002/12/EC and Article 1(3) of Directive 2002/13/EC. Under the Commission's proposal the reference period would be 12 months ending on 20 March each year, the relevant index would be the "European index of consumer prices" (EICP) and Member States would have until the end of the following year to implement any changes. The Insurance Committee agreed the Commission's proposed methodology and proposed approach to implementation of any changes required.

At the 2nd meeting of the European Insurance and Occupational Pensions Committee in Brussels on 2 December 2005 the results of the annual review indicated that the increase in the consumer price index since the last adaptation had been 6.07 %, which exceeded the 5 % threshold; as a consequence the minimum guarantee fund and premium and claims index figures needed to be updated. It was agreed that the consumer price index had increased by 6.07 %, and rounding up to the nearest €100,000, that this translated into a revised lower minimum guarantee fund of €2.2 million and a higher minimum guarantee fund of €3.2 and a revised premium index of €53.1 million and a revised claims index of €37.2 million.

In accordance with the standard approach to implementation agreed by the Insurance Committee, Member States agreed to implement the revised amounts under national law with an effective date for application before 1 January 2007. In accordance with the legal obligation in the Directive, the Commission has informed the European Parliament and the Council of the review and of the adapted amounts. The Commission has also published the adapted amounts in the Official Journal⁴.

2. REVIEW

The Commission has conducted the annual review of the minimum guarantee fund (life and non-life) and the premium and claims indices (non-life) in accordance with the methodology agreed by the Insurance Committee. The EICP has increased by 2.10 % (from 101.41 to 99.32⁵) during the review period (20 March 2005 – 20 March 2006) and consequently changes are not required.

- *Do you agree that the consumer price index has increased by less than 5 % since the last adaptation?*
- *Do you agree that no adaptation of the minimum guarantee fund, premium and claims index figures are required?*

Contact:

Ben Carr, Telephone: (32-2) 295 66 61, Benedict.Carr@cec.eu.int

⁴ OJ C 194 of 18.08.2006

⁵ Since the last calculation the EICP have been rebased to May 2005 figures.