

Brussels, 21 MARS 2011
C/2011/1801

Dear President,

The Commission would like to thank the Swedish Riksdag for its Opinion on the European Commission's White Paper on Insurance Guarantee Schemes {COM(2010) 370 final}. I am pleased to note that the Riksdag supports the preferred options identified by the Commission in the White Paper.

In the White Paper, the Commission sets out its ideas for a coherent framework for an EU initiative on Insurance Guarantee Schemes (IGS), in order to protect policyholders and beneficiaries. In particular, the Commission proposes to bring forward a directive based on minimum harmonisation, in order to ensure that all Member States have at least one IGS in place that complies with certain basic criteria.

This initiative is inspired by the fact that despite enhanced prudential regulation and more effective risk management and governance structures under the Solvency II framework, a collapse of an insurance undertaking cannot be fully ruled out. In order to prevent taxpayers' money from being used in the event of a failure of an insurance company, IGS should be established, as a last resort mechanism, coming into effect only when all other available means have been exhausted.

Following the conclusion of the consultation period on 30 November 2010, the Commission is currently evaluating the different contributions received and, on this basis, will start working on a legislative proposal, currently foreseen for adoption by the Commission towards the end of 2011. When preparing the proposal, the Commission will carefully evaluate all the feedback received. The Commission will also carry out a new impact assessment in order to ensure that the future proposal will be economically sound.

Please be assured that the specific concerns raised by the Swedish Riksdag, in particular regarding the collective agreement insurance entered into by social partners, will be duly taken into account when drafting the legislative proposal.

Finally, let me thank you again for the constructive support by the Riksdag for the Commission's endeavour to establish a coherent framework on Insurance Guarantee Scheme at EU level.

Yours faithfully,

Mr Per Westerberg
President
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