

# EIOPA consultations and the Solvency II review

## 2025 consultation papers: Part 3

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## Introduction

In April 2024, the European Parliament formally adopted the amendments to the Solvency II Directive<sup>1</sup> arising from the Solvency II 2020 review. Subsequently, in October 2025, the European Commission published the finalised amendments to the Delegated Regulation<sup>2</sup> underpinning the Directive. With the implementation date for the revised Solvency II framework set for 30 January 2027, the European Commission and the European Insurance and Occupational Pensions Authority (EIOPA) have been working on the areas for which they will be providing further detail. Several consultation papers have been published this year, building on the consultations released in 2024 and providing stakeholders with the opportunity to influence the final requirements.

The Solvency II legislation is implemented on three levels:

- Level 1: The Solvency II Directive – this is the framework legislation and is subject to European legislative approval procedures, which require agreement by the European Parliament, European Council and European Commission.
- Level 2: The Delegated Regulation, Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) – these are legislative provisions made by the European Commission on the basis of advice received from EIOPA.
- Level 3: Guidelines – these are issued by EIOPA to ensure consistent supervisory practices and application of the legislation.

The consultations conducted in 2024 and 2025 are summarised in our briefing note series. This series, including the current briefing note, can be found here: [part 1](#), [part 2](#), and [part 4](#).

Figure 1 shows all consultations launched in 2024 and 2025.

**FIGURE 1: CONSULTATIONS LAUNCHED IN 2024 AND 2025 TO DATE**

CONSULTATION	LAUNCH DATE	CLOSURE DATE	STATUS	INCLUDED IN THIS OR PREVIOUS NOTES
Revised guidelines on ring-fenced funds	09-Oct-25	05-Jan-26	Draft guidelines	✓ (Part 4)
RTS on simplified calculation of the risk margin	09-Oct-25	05-Jan-26	Draft Technical Standards	✓ (Part 4)
Revised ITS on matching adjustment approval	09-Oct-25	05-Jan-26	Draft Technical Standards	✓ (Part 4)
Revised ITS on disclosures templates to supervisory authorities	09-Oct-25	05-Jan-26	Draft Technical Standards	✓ (Part 4)
Guidelines on powers to remedy liquidity vulnerabilities	09-Oct-25	05-Jan-26	Draft guidelines	✓ (Part 4)
Revised guidelines on valuation of technical provisions	09-Oct-25	05-Jan-26	Draft guidelines	✓ (Part 4)
Revised guidelines on exchange of information within colleges	14-Jul-25	14-Oct-25	Draft guidelines	✓ This note
Supervisory reporting and public disclosure requirements	10-Jul-25	10-Oct-25	Draft ITS	✓ This note
Revised guidelines on supervisory review process	02-Jul-25	24-Sep-25	Draft guidelines	✓ This note
Draft guidelines on exclusions from group supervision	03-Apr-25	26-Jun-25	Draft guidelines	✓ This note

<sup>1</sup> The complete text of the adopted Solvency II Directive can be found at [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202500002](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500002).

<sup>2</sup> The finalised text of the Solvency II Delegated Regulation proposed for adoption by the European Commission can be found at [https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/solvency-2\\_en#latest](https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/solvency-2_en#latest).

CONSULTATION	LAUNCH DATE	CLOSURE DATE	STATUS	INCLUDED IN THIS OR PREVIOUS NOTES
Draft revised guidelines on the treatment of related undertakings	03-Apr-25	26-Jun-25	Draft guidelines	✓ This note
Draft revised opinion on dynamic volatility adjustment (DVA)	03-Apr-25	26-Jun-25	Draft EIOPA opinion	✓ This note
Management of sustainability risks including sustainability risk plans	04-Dec-24	26-Feb-25	Draft RTS	✓ (Part 2)
Notion of diversity for the selection of the members of the administrative, management or supervisory body	04-Dec-24	26-Feb-25	Draft guidelines	✓ (Part 2)
Undertaking-specific parameters	04-Dec-24	26-Feb-25	Draft guidelines	✓ (Part 2)
Exposures to regional governments and local authorities to be treated as exposures to the central government	04-Dec-24	26-Feb-25	Draft ITS	✓ (Part 2)
Market and counterparty risk exposures in the Standard Formula	04-Dec-24	26-Feb-25	Draft guidelines	✓ (Part 2)
Biodiversity risk management	04-Dec-24	26-Feb-25	Draft Report to Commission	✓ (Part 2)
Annexes to the opinion on the use of risk mitigation techniques by insurance undertakings: mass-lapse reinsurance and reinsurance agreements' termination clauses	08-Nov-24	07-Feb-25	Draft Annex to EIOPA opinion	✗
Standard Formula capital requirements for investments in crypto assets	24-Oct-24	16-Jan-25	Draft Technical Advice	✗
Applicability criteria for macroprudential analysis in Own Risk and Solvency Assessment (ORSA) and Prudent Person Principle (PPP)	17-Oct-24	09-Jan-25	Draft RTS	✗
Liquidity risk management plans	01-Oct-24	02-Jan-25	Draft RTS	✓ (Part 1)
Exceptional sector-wide shocks	01-Oct-24	02-Jan-25	Draft RTS	✓ (Part 1)
Undertakings under dominant/significant influence or managed on a unified basis	01-Oct-24	02-Jan-25	Draft RTS	✓ (Part 1)
Enhancing the supervision of cross-border activities	01-Oct-24	02-Jan-25	Draft RTS	✓ (Part 1)
Scenarios for best-estimate valuations for life insurance obligations	01-Oct-24	02-Jan-25	Draft ITS	✓ (Part 1)
Supervising the liquidity risk management of institutions for occupational retirement provision (IORPs)	26-Sep-24	20-Dec-24	Draft EIOPA opinion	✓ (Part 1)
New proportionality framework	02-Aug-24	25-Oct-24	Draft Technical Advice	✓ (Part 1)
Standard Formula capital requirements for insurers' direct exposures to qualifying central counterparties	31-Jul-24	23-Oct-24	Draft Technical Advice	✓ (Part 1)
(Re)assessment of natural catastrophe risk in the Standard Formula	31-Jul-24	23-Oct-24	Draft EIOPA opinion	✓ (Part 1)
Templates for explanations and opinions, and the standardised test for the classification of crypto assets	12-Jul-24	12-Oct-24	Draft guidelines	✓ (Part 1)
Prudential treatment of sustainability risks	13-Dec-23	22-Mar-24	Draft EIOPA opinion	✓ (Part 1)

In this briefing note we discuss the third batch of consultation papers in relation to the Solvency II review, covering the following:

- Draft guidelines on exclusions from group supervision
- Draft revised guidelines on the treatment of related undertakings
- Draft revised opinion on DVA
- Consultation on the proposal for revised guidelines on supervisory review process
- Consultation on supervisory reporting and public disclosure requirements under Solvency II
- Consultation on revised guidelines on exchange of information within colleges

## Questions to stakeholders

Many of the EIOPA consultation papers include questions to stakeholders and are looking for comments and feedback. Respondents are asked to provide comments on the various policy issues outlined in the consultation papers.

The deadline for submitting responses for each paper is shown in Figure 1 above.

## Proposed guidelines on exclusions from group supervision

This consultation paper<sup>3</sup> discusses proposed guidelines for excluding certain undertakings from the scope of group supervision under the Solvency II Directive. These guidelines are developed to specify the exceptional circumstances in which excluding undertakings from group supervision is justified, particularly when such exclusion would result in the non-application of group supervision of the ultimate parent undertaking.

The guidelines outline cases where exclusion is not appropriate, such as when there are material intragroup transactions, when the undertaking coordinates financial or investment decisions or exercises significant influence within the group, or when a better understanding of risks affecting other group undertakings is achieved by deducting the undertaking's book value from the group's own funds or by applying the simplified approach to participation.

Conversely, the guidelines also provide examples of when exclusion from group supervision may be considered, such as when there are legal impediments to information exchange between authorities. This may apply if the undertaking is located in a third country without an equivalence decision, or if the third-country supervisory authority is not a party to the International Association of Insurance Supervisors (IAIS)

3 EIOPA. (3 April 2025). Consultation on guidelines on exclusions from scope of group supervision – Solvency II review. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-guidelines-exclusions-scope-group-supervision-solvency-ii-review\\_en](https://www.eiopa.europa.eu/consultations/consultation-guidelines-exclusions-scope-group-supervision-solvency-ii-review_en).

Multilateral Memorandum of Understanding. The guidelines also identify other criteria for exclusion. However, in these situations, the group supervisor should consider signing a memorandum of understanding with the third-country supervisory authority as an alternative to exclusion.

The guidelines also outline the conditions that must be met for the supervisor to apply group supervision only at the level of an intermediate participating undertaking.

Finally, regarding the reassessment of exclusions, it is advised that the group supervisor regularly confirm that the conditions justifying exclusion are still applicable and monitor intragroup transactions through ongoing reporting.

### EIOPA'S PROPOSED OPTIONS

The policy issue identified by EIOPA relates to the reporting requirements for the reassessment of exclusions.

Policy option A.0: No change.

Policy option A.1: Annual reporting requirement. Group supervisor requests annual comprehensive assessment of compliance with proposed guidelines.

Policy option A.2: Case-by-case reporting requirement. The group supervisor decides on a case-by-case basis when to require an undertaking to report an own assessment for annual reassessment. *This is EIOPA's preferred option.*

## Revised guidelines on the treatment of related undertakings, including participations

The amendments proposed in this consultation paper<sup>4</sup> broadly aim to simplify and shorten the current guidelines and improve readability.

The guidelines have been amended to specify that any demonstration of the materially lower volatility of the value of equity investment must include a quantitative assessment alongside a qualitative assessment and the other existing requirements.

With respect to deductions and adjustments for participations in financial and credit institutions, the guidelines now state that supervisory authorities may permit a firm not to make the relevant deduction, subject to certain conditions set out in the Solvency II regulations.

4 EIOPA. (3 April 2025). Consultation on revised guidelines on the treatment of related undertakings – Solvency II review. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-treatment-related-undertakings-solvency-ii-review\\_en](https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-treatment-related-undertakings-solvency-ii-review_en).

Several other guidelines have also been shortened, updated with legal references, consolidated or removed where they were redundant with the revised Solvency II regulations and other legal provisions.

### QUESTIONS TO STAKEHOLDERS

In the questions to stakeholders, EIOPA requests feedback on whether stakeholders have any comments on the proposals to simplify and shorten the guidelines, and/or any other suggestions for simplifying and shortening the guidelines.

## Revised opinion on the supervisory assessment of internal models including a DVA

This consultation<sup>5</sup> outlines the proposed revisions to EIOPA's 2017 opinion on internal models using a DVA. The DVA allows internal models to reflect how the volatility adjustment (VA) would evolve in response to changes in credit spreads over the one-year horizon of the Solvency Capital Requirement (SCR) calculation. Unlike the Standard Formula, which assumes a fixed VA, the DVA introduces dynamic behaviour that reduces the spread risk modelled.

The opinion has been updated to remove areas that are now covered by the Directive, such as the prudency principle, and to ensure consistency with the terminology in the revised (D)VA framework.

It also provides a non-exhaustive list of aspects for authorities to consider when challenging a model, including how credit spreads are modelled, how the DVA interacts with interest rate risk modelling and whether all material risks are appropriately covered in the amended (D)VA framework.

Additionally, the opinion clarifies that EIOPA's VA methodology will be published on the EIOPA website before the amended Directive comes into effect.

## Revised guidelines on supervisory review process

The consultation on revised guidelines on the supervisory review process<sup>6</sup> (SRP) proposes targeted revisions to its SRP guidelines under the Solvency II Directive, whilst also streamlining and clarifying the guidelines for supervisory authorities.

Updates include revisions to the risk assessment framework (RAF) and supervisory planning tools, ensuring supervisors classify entities, analyse business strategies and determine the intensity of supervision in line with current best practices. The guidelines for determining the impact classifications of undertakings and insurance groups have been amended to require at least annual assessments, using both quantitative factors and relevant qualitative indicators. Supervisors may also carry out ad hoc assessments following extraordinary events, such as mergers and acquisitions.

The consultation introduces new guidance on how supervisory authorities should conduct business model analysis (BMA) as part of the SRP. This analysis should be forward-looking and performed at least every three years or following major business changes.

Further changes address operational tools for cross-border cooperation and supervisory response and escalation. New guidelines detail the process for joint on-site inspections by teams from two or more national supervisory authorities and EIOPA, aiming to enhance cross-border and group supervision, especially where risks span multiple jurisdictions.

The guidelines also set out expectations for early intervention measures when there is a risk of non-compliance with the SCR. Early intervention may include increased supervisory engagement or restrictions on dividend payments. Authorities are expected to apply a graduated 'ladder of intervention,' proportionate to the severity and nature of the non-compliance, escalating actions as necessary.

Finally, the consultation outlines guidelines requiring supervisory authorities to integrate pre-emptive recovery and resolution planning, conduct of business oversight and the management of emerging digital, sustainability and climate risks into their SRP.

### EIOPA'S PROPOSED OPTIONS

Policy option A.0: No change.

Policy option A.1: Targeted amendments of selected sections, which involves updating only specific sections of the guidelines that require changes, based on recent supervisory experiences. *This is EIOPA's preferred option.*

Policy option A.2: Comprehensive review, which proposes a full-scale revision and restructuring of all guideline sections to align with current regulatory needs and practices.

5 EIOPA. (3 April 2025). Consultation on revised opinion on dynamic volatility adjustment (DVA) – Solvency II review. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-revised-opinion-dynamic-volatility-adjustment-dva-solvency-ii-review\\_en](https://www.eiopa.europa.eu/consultations/consultation-revised-opinion-dynamic-volatility-adjustment-dva-solvency-ii-review_en).

6 EIOPA (2 July 2025) Consultation on the proposal for revised guidelines on supervisory review process – Solvency II review. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-proposal-revised-guidelines-supervisory-review-process-solvency-ii-review\\_en](https://www.eiopa.europa.eu/consultations/consultation-proposal-revised-guidelines-supervisory-review-process-solvency-ii-review_en).

## Consultation on supervisory reporting and public disclosure requirements under Solvency II

This consultation<sup>7</sup> proposes amendments to supervisory reporting and public disclosure requirements under Solvency II, with the primary goal of substantially reducing the reporting burden on (re)insurance undertakings.

Increased proportionality measures include exempting small and non-complex undertakings (SNCUs) from specific templates, raising the reporting threshold for off-balance sheet items (S.03.01) from 2% to 3.5% and eliminating duplicate data collection where the location of risk matches the location of underwriting. The proposed changes also simplify and clarify instructions for various templates by removing unnecessary columns and data fields.

In contrast to these reductions, EIOPA is also introducing new information requirements, including enhanced pension data and new annual templates for natural catastrophe data.

### EIOPA'S PROPOSED REPORTING REDUCTIONS

Reduced reporting frequency:

- S.28.01 and S.28.02 (minimum capital requirement [MCR] calculation details) will transition from quarterly to annual reporting only, with the final MCR result continuing to be reported quarterly via S.23.01.
- S.06.03 (collective investment undertakings – look-through approach) will now only be required at Q2 and Q4 reporting.
- SNCUs and SNC groups (SNCGs) will only be required to report S.01.01, S.01.02 and S.23.01 templates at Q1 and Q3.

Deletion of annual templates:

- S.21.01, S.21.02, S.21.03 (underwriting risks).
- S.23.02, S.23.03 (detailed information and annual movements on own funds).
- S.29.01, S.29.02, S.29.04 (variation analysis templates).
- S.30.01, S.30.02 (facultative covers), although supervisors retain the ability to request this information on an ad hoc basis.
- S.37.03 (group risk concentration).

7 EIOPA. (10 July 2025). Consultation on supervisory reporting and public disclosure requirements under Solvency II. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-supervisory-reporting-and-public-disclosure-requirements-under-solvency-ii\\_en](https://www.eiopa.europa.eu/consultations/consultation-supervisory-reporting-and-public-disclosure-requirements-under-solvency-ii_en).

Regarding reporting for financial stability purposes, the main change is increasing the total asset threshold for identifying required reporting entities (both groups and individual undertakings) from €12 billion to €20 billion.

The revised guidelines on the supervision of third-country branches focus on clarification and streamlining, with EIOPA emphasising that the changes do not intend to reduce supervisory expectations.

## Revised guidelines on exchange of information within colleges

This consultation<sup>8</sup> presents revised guidelines for the systematic exchange of information within supervisory colleges, primarily targeting authorities responsible for overseeing European Economic Area (EEA) (re)insurance groups. The primary aim is to align college cooperation practices with the amended Solvency II framework, ensuring that guidelines are up-to-date, streamlined and effective in supporting supervisory activities.

A key development is the introduction of a new guideline that enables the group supervisory authority, alongside other relevant authorities, to share the group ORSA report and the supervisory authority's assessment of it. The exchange is subject to proportionality, depending on the relevance of the information for supervisory purposes and considering the nature, scale, size and complexity of the risks within the group.

Technical Annexes I to III have been streamlined and updated, with revised legal references and an updated list of quantitative templates exchanged via the European College Information tool to reflect taxonomy changes. Additional group templates on risk concentration have also been included. Annexes I and II are expanded to cover outcomes of the RAF, whilst Annex III now includes extra columns to facilitate information exchange with third countries where relevant.

8 EIOPA. (14 July 2025). Consultation on revised guidelines on exchange of information within colleges – Solvency II review. Retrieved December 8, 2025, from [https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-exchange-information-within-colleges-solvency-ii-review\\_en](https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-exchange-information-within-colleges-solvency-ii-review_en).

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