

New Approach to calibrate the SCR for Infrastructure Investments is to look on the volatility of equity of listed companies close to the infrastructure business, like energy, transportation or even communication companies. EIOPA has identified a short list of 67 European entities excluding telecommunication and 35 telecommunication entities. The idea was to look whether this index has a lower volatility than the European equity market as a whole, and use this difference to justify a respective lowering of the SCRs. EIOPA was looking for feedback on this approach in general and on this list specifically.

The industry presented some infrastructure projects where insurance companies typically are involved. These projects comprise typically housing, construction, wastewater plants, highways, etc.

The industry estimates that only 15 % of their infrastructure involvement is based on utilities, but on the other hand the index EIOPA introduced consists to 80 % of utility companies. So the feedback from the industry was rather negative and EIOPA seemed to be very disappointed and helpless how to proceed.

The planned next steps are to publish a consultation paper early April and to have another stakeholder event end of May/ beginning of June. Final advice to the European Commission is proposed for end of June after their Board meeting.