

Consultation Paper on the proposal for revised Guidelines on valuation of technical provisions

Fields marked with * are mandatory.

Responding to the paper

EIOPA welcomes comments on the Consultation Paper on the proposal for revised Guidelines on valuation of technical provisions.

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Stakeholders are invited to provide their feedback by 5 January 2026 23:59 CET.

Contributions not provided via this EU Survey or after the deadline will not be processed. In case you have any questions please contact SolvencyIIreview@eiopa.europa.eu.

Publication of responses

Your responses will be published on the EIOPA website unless: you request to treat them confidential, or they are unlawful, or they would infringe the rights of any third party. Please, indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. EIOPA may also publish a summary of the survey input received on its website.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on [public access to documents](#).

Declaration by the contributor

By sending your contribution to EIOPA you consent to publication of all non-confidential information in your contribution, in whole/in part – as indicated in your responses, including to the publication of the name of

your organisation, and you thereby declare that nothing within your response is unlawful or would infringe the rights of any third party in a manner that would prevent the publication.

Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725. More information on how personal data are treated can be found in the privacy statement at the end of the public consultation document.

Remarks on completing the survey

EU Survey supports the last two versions of Microsoft Edge and the latest version of Mozilla Firefox and Google Chrome. Using other browsers might cause compatibility issues.

After you start filling in responses to the survey there is the option to save your answers. However, please note that the use of the online saving functionality is at the user's own risk. As a result, it is strongly recommended to complete the online survey in one go (i.e. all at once).

Should you still proceed with saving your answers, the online tool will immediately generate and provide you with a new link from which you will be able to access your saved answers.

It is also recommended that you select the "Send this Link as Email" icon to send a copy of the weblink to your email - please take care of typing in your email address correctly. This procedure does not, however, guarantee that your answers will be successfully saved.

You will have the possibility to print a pdf version of the final responses to the survey after submitting it by clicking on "Download PDF". You will automatically receive an email with the pdf file. Do not forget to check your junk / spam mailbox.

About the respondent

* Please indicate the desired disclosure level of the responses you are submitting.

- Public
- Confidential
- Partly confidential

* Stakeholder name

Actuarial Association of Europe

* Contact person (name and surname)

Stephanos Hadjistryllis

* Contact person email

stephanos@shsactuarial.com

Contact person phone number

+35799547374

Questions to stakeholders

General

Q1 Do you have general comments on the consultation paper?

- Yes
 No

Please provide your general comments on the consultation paper.

We welcome the consultation and agree that the limited amendments proposed are in line with the objective of simplifying and clarifying the existing Guidelines without altering supervisory expectations. In this context, we consider it important that the implementation of the revised provisions continues to follow a principles-based approach, allowing undertakings to apply methods that are appropriate to the nature, scale and complexity of their risks. We also note the central role of the actuarial function in ensuring that assumptions, methodologies and simplifications remain robust and proportionate, and in providing independent oversight of the valuation of technical provisions within the governance framework set out by Solvency II.

Furthermore, we note that the revisions focus solely on the calculation of the risk margin, whereas other issues deserve further attention (see Q6 below).

With respect to Guideline 62, we understand that the hierarchy of methods is intended to ensure proportionality and consistency. At the same time, Article 58(b) of Delegated Regulation 2015/35 permits methods which approximate the discounted sum of future SCRs without calculating each year separately. Although this is addressed in Method 3, it may be helpful if the final Guidelines clarify the circumstances under which alternative, non-BEL-based drivers could be used within the existing hierarchy, where this provides a more appropriate and proportionate reflection of the run-off pattern of risks and is supported by adequate justification and documentation.

Such clarification could support undertakings in applying the hierarchy consistently, particularly where the assumptions underpinning Methods 2 and 3 do not hold, while maintaining the objective of simplification and avoiding unnecessary complexity.

Consultation paper overview and next steps

Q2 Do you have comments on the consultation paper overview and next steps?

- Yes

No

Amended Guidelines of the Guidelines on Valuation of Technical Provisions

Q3 Do you have comments on the following amended guidelines?

	Yes	No
Guideline 50 – Simplified calculation of technical provisions during the year	<input checked="" type="radio"/>	<input type="radio"/>
Guideline 62 – Hierarchy of methods for the calculation of the risk margin	<input checked="" type="radio"/>	<input type="radio"/>
Technical Annex IV - Hierarchy of simplifications for the risk margin	<input type="radio"/>	<input checked="" type="radio"/>

Please provide your comments on the Guideline 50 – Simplified calculation of technical provisions during the year.

We agree that the proposed clarification to Guideline 50 is helpful in supporting proportional quarterly calculations. In practice, undertakings typically base their annual valuation on the most recent full calculation, which for many is the risk margin at the end of the previous reporting year. It may therefore be useful if the Guideline confirms that either reference point may be applied, provided the choice is appropriate to the undertaking's risk profile and consistently justified.

We note that the proportional formula set out in the explanatory text may not be suitable in all circumstances. In particular, situations such as material movements in the interest rate term structure, significant changes to non-economic assumptions or model updates, or portfolios with cash-flow patterns that are not well reflected by movements in the best estimate could lead to outcomes that are not proportionate. It may be helpful if the final text provides examples of circumstances where a recalculation or an alternative simplified approach would be more appropriate.

Such clarification would support consistent application of the simplification, avoid undue volatility during the year, and maintain the intended balance between practicality and reliability without expanding the scope of the Guideline.

Please provide your comments on the Guideline 62 – Hierarchy of methods for the calculation of the risk margin.

We welcome the clarifications provided to Guideline 62 and agree that the hierarchy remains an important mechanism for ensuring proportionality in the calculation of the risk margin.

With respect to Method 2, we note that relying on movements in the best estimate assumes a more or less stable relationship between the development of the liabilities and the underlying risk profile. Clarifying the conditions under which BEL remains appropriate, and when a more appropriate assessment should be considered, would support consistent application. We expect the Actuarial Function to play a role in the assessment of the appropriateness of such methods.

We note that the exclusion of the lambda factor under Methods 3 and 4 is intended to avoid amplification of approximation error where a single-step simplification is used. It may be helpful if the rationale and boundaries of this treatment are explained more explicitly, to ensure consistent interpretation and avoid unintended divergence between undertakings applying different levels of the hierarchy.

Finally, given that granularity can materially influence results, particularly in relation to modules, sub-modules, risks and sub-risks and their interaction with lines of business, additional guidance or illustrative examples could assist undertakings in determining an appropriate level of application while maintaining the objective of simplification.

Explanatory text

Q4 Do you have comments on the following Explanatory texts?

	Yes	No
Guideline 50 – Simplified calculation of technical provisions during the year	<input checked="" type="radio"/>	<input type="radio"/>
Guideline 61 – Methods to calculate the risk margin	<input type="radio"/>	<input checked="" type="radio"/>
Guideline 62 – Hierarchy of methods for the calculation of the risk margin	<input type="radio"/>	<input checked="" type="radio"/>
Technical Annex IV - Hierarchy of simplifications for the risk margin	<input type="radio"/>	<input checked="" type="radio"/>
Technical Annex VI - Simplified calculation during the year for the risk margin	<input type="radio"/>	<input checked="" type="radio"/>

Please provide your comments on the Guideline 50 – Simplified calculation of technical provisions during the year

With regard to the explanatory text on Guideline 50, we note the illustrative hybrid formula presented on page 12. Since the risk margin at time zero is always positive under the Solvency II framework, the structure of the expression means that CoCM(0) could be factored out of the maximum function without altering the outcome.

While the current formulation is correct, a simplified expression may improve readability and support practical implementation. We suggest that EIOPA considers whether such an editorial clarification would be useful, while recognising that the underlying intent—namely to set a floor equal to the opening risk margin where proportional adjustments are not appropriate—remains clear.

Other comments

Q5 Do you have any other comments on the proposals to simplify and shorten the Guidelines and/or any other suggestions for simplifying and shortening the Guidelines, taking into account the relevance of the individual Guidelines?

- Yes
- No

Any other comments

Q6 Do you have any other comments on the consultation paper?

- Yes
- No

Please provide your other comments on the consultation paper.

We acknowledge that this consultation is limited to the revisions relating to the risk margin. As EIOPA progresses with the sequential update of the Solvency II Guidelines, we note that member associations have identified additional areas that may merit consideration in future phases, in order to ensure continued alignment with the amended Directive and Delegated Regulation.

In particular, potential future review areas include Guideline 36 on the appropriateness of assumptions, where the application of prudent deterministic valuation for life obligations with immaterial options and guarantees may warrant clarification, and Guideline 54, which addresses the proportionality assessment when selecting valuation approaches for contractual options and financial guarantees. We also note that any future revisions to these areas may need to consider the interaction with scenarios provided by EIOPA for prudent deterministic valuation, as well as the calculation of expected profits in future fees under Article 260 of the Delegated Regulation.

We are not proposing changes to these Guidelines within the scope of the present consultation. However, we would welcome the opportunity to contribute to any future workstreams addressing these topics as part of the broader update of the technical provisions framework.

Contact

[Contact Form](#)

