

EIOPA issues Mediation Opinion regarding the determination of the correct insurance class for statutory risks

Today, the European Insurance and Occupational Pensions Authority (EIOPA) published its Mediation Opinion regarding the determination of the correct insurance class for the insurance policy known as “statutory risks” in France.

The mediation conducted by EIOPA’s Mediation Panel involved the Autorité de contrôle prudentiel et de résolution, the French national supervisory authority, as host authority and the Central Bank of Ireland, as home authority of those insurance undertakings that offer this policy on a freedom to provide services in France.

In line with the risk-based approach of Solvency II and with the aim of promoting consistent supervisory practices, the Mediation Panel concluded that the determination of the insurance class should reflect the nature of risk of the given insurance policy rather than its actual legal form. Accordingly, the Mediation Panel supported the classification of “statutory risk” insurance policy in class 1 (Accident) and class 2 (Sickness) for new authorisations. In case the insurance policy contains death or any other life coverage, an authorisation for life insurance activity is also required.

Furthermore, insurance undertakings should have relevant expertise to ensure appropriate pricing, adequate provisioning and claims management practices, relevant to the risks to be covered and to the target market in the host Member State.

The Autorité de contrôle prudentiel et de résolution and the Central Bank of Ireland, both agreed with the conclusions of the Mediation Panel. The Opinion, approved by EIOPA’s Board of Supervisors, is available [here](#).

Background

The **Mediation Panel** is mandated to settle disagreements between the national competent authorities in accordance with [EIOPA’s founding Regulation](#).

The **statutory risk** insurance policy covers the maintenance of the civil servants’ salary in case of sickness, maternity, work incapacity or disability, and the payment of death benefits to the civil servant’s beneficiaries.

Insurance class 1 in Annex I of Solvency II refers to “Accident”, while **insurance class 2** in Annex I of Solvency II refers to “Sickness”.