

Start of the Non-Life Underwriting Risk Comparative Study in Internal Models

The European Insurance and Occupational Pensions Authority (EIOPA) launched today a European-wide comparative study on non-life underwriting risk in internal models (NLCS 2020).

The objective of the study is to analyse the relative positioning of non-life internal models and to provide a European perspective for their risk profile developments over the time horizon of five years. Therefore, this exercise covers internal models results from the Solvency II implementation in 2016 to the first annual submission in 2020, including the first COVID-19 impact assessment of the industry.

The study will collect the overall non-life underwriting risk and its decomposition at a European level. Furthermore, it will analyse in depth a number of selected lines of business to identify dominating factors for motor, fire and general liability as well as credit and suretyship. The exercise will allow undertakings to report their view on risk while using a technically sound point of reference as provided by Solvency II.

The design of the study is based on best practices from national competent authorities and includes informal feedback received through stakeholder outreach. The sample of the study covers insurers and reinsurers selected for participation and achieves a high coverage of undertakings using an internal model for non-life underwriting risk. Undertakings also taking part in the comparative study on diversification must ensure a consistent submission of information as the information request has been developed jointly for both studies.

The data collection phase starts with the launch of this exercise and ends on 15 September 2021.

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