Treasury Select Committee Inquiry

"Brexit provides an opportunity for the UK to assume greater control of insurance regulation.

The Solvency II Directive came into force in January, only after a heap of concerns had been expressed about it. Among its manifest shortcomings was the failure to secure value for money over its implementation.

The Treasury Committee will now take a look at the Brexit inheritance on insurance to see what improvements can be made in the interests of the consumer."

Andrew Tyrie MP – Committee Chair

26 September 2016
Treasury Select Committee Inquiry

Key Dates:
Inquiry opens 13 September
Inquiry closes 11 November

Inquiry link
http://www.parliament.uk/documents/commons-committees/treasury/Terms%20of%20reference/EU-insurance-regulation-ToR-16-17.pdf
Treasury Select Committee Inquiry

IFoA Response:
Series of member events across the UK until mid-October

Practice Boards oversee drafting of official response
Senior members engage with TSC after submission

Please submit views to policy@actuaries.org.uk

26 September 2016
Treasury Select Committee Inquiry

Questions (In summary)

1. Competition
   a. What are the competitive implications of Solvency II for UK insurance firms? Please answer within the context of the UK, European and global markets.
   b. What impact is Solvency II having on the development of global regulation?
   c. Could Solvency II create a potential competitive disadvantage for UK insurance firms in relation to firms from outside the insurance industry?
   d. What effect has Solvency II had on product innovation and the ability for new entrants to join the market?

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Questions (In summary)

2. Development of Solvency II
   a. What are the principal developments or adjustments that you would like to see made to Solvency II in an ideal world?
   b. Should the UK seek alternatives to Solvency II for insurance regulation?
   c. Should the UK Government seek to withdraw from Solvency II?
   d. Should the UK seek to amend, or withdraw from any elements of Solvency II?
Treasury Select Committee Inquiry

Questions (In summary)

3. Implementation of Solvency II
   a. What lessons have we learned from the implementation of Solvency II in the UK?
   b. How well has the implementation of Solvency II met its stated objectives?
   c. How did the implementation of Solvency II in the UK compare with other European member states?
   d. Are the transitional provisions effective, practical and flexible enough?
Treasury Select Committee Inquiry

Questions (In summary)

4. Safety and soundness
   a. How effective has Solvency II been in increasing the safety and soundness of the UK insurance industry?
   b. What are its principal strengths, both technically, and in its influence on Boards?
   c. What are its principal limitations?
   d. What are your views on the concept of internal and standard models and does the concept work well in practice?
   e. Is the new regime flexible enough to withstand another financial crisis?
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