

Stockholm 02/01/2025

## **Insurance Sweden's response to Consultation on undertakings under dominant/significant influence or managed on a unified basis (EIOPA-BoS-24/323)**

### General comments

#### **Q1. Do you have general comments on the consultation paper?**

We (Insurance Sweden) welcome this opportunity to comment on the consultation paper on the proposal for Regulatory Technical Standards on factors for identifying undertakings under dominant or significant influence and undertakings managed on a unified basis (EIOPA-BoS-24/323). As a member of Insurance Europe, we share the views expressed in their response to this consultation.

Here we want to highlight in Insurance Europe's response that a recital should be added in the RTS that clarifies that decisions on group supervision based on management on a unified basis should be taken only when the group supervisor assesses that the application of group supervision on the undertakings in question leads to an actual improvement of supervision in relation to the best interest of the policyholders (see also our response to Q6.).

### Background and rationale

#### **Q6. Do you have any other comments on the draft technical standards in section 2?**

As highlighted in the Impact Assessment, Solvency II's primary objective is the adequate protection of policyholders and beneficiaries. We recommend adding a recital to clarify that the decision to identify a horizontal group should be a discretionary tool for supervisory authorities, to be applied only when their assessment indicates that such identification would genuinely enhance supervision.

This approach aligns with Recital 61 of the Directive, which affirms that "the group supervisors should have the power to identify the existence of a group," as well as with Article 212(6), mandating that RTS may supplement or further specify the criteria for identifying horizontal groups. Additionally, it reflects EIOPA's

recommendation in its "Opinion on the 2020 Review on Solvency II" to the European Commission, suggesting that supervisory authorities should be empowered, but not obligated, to apply group supervision based on unified management of undertakings, ensuring such decisions are in the best interest of policyholders.

Therefore, we propose adding the following recital after the current Recital 7:

*'8. Supervisory authorities should decide to identify a group that, in the opinion of the supervisory authority, consists of undertakings that are managed on a unified basis only when it assesses that the application of group supervision on the undertakings in question leads to an actual improvement of supervision in relation to the best interest of the policyholders.'*