



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

Bank, insurance and financial crime
Insurance and pensions

Brussels,
FISMA/D4/RH/ml/Ares(2021)2815666

EIOPA
Mr. Justin Wray
Head of Policy Department
Westhafentower
Westhafenplatz 1
60327 Frankfurt
GERMANY

Via email:
justin.wray@eiopa.europa.eu

Subject: Request to modify the techniques, data specifications and parameters used for determining the technical information on the relevant risk-free interest rate term structure

Dear Mr. Wray,

I acknowledge the receipt of your letter of 30 March 2021 in which you informed us, pursuant to Article 43 of the Delegated Regulation (EU) 2015/35, of substantial changes in the data used for determining the technical information on the relevant risk-free interest term structure occurred, due to a reduction in the expected long-term real interest rate. Against this background, your letter also proposes reducing the ultimate forward rate from 3.6% to 3.45% and you attached an assessment of the impact of that proposal on the EU insurance sector.

After having carefully reviewed all the documents submitted, I hereby request EIOPA to proceed with the reduction of the ultimate forward rate to 3.45% according to your proposal of 30 March 2021.

These modifications shall be used by EIOPA, pursuant to Article 77e(1) of Directive 2009/138/EC, for laying down and publishing technical information for the calculation of technical provisions and basic own funds for reporting with reference date starting as from 1 January 2022.

The team of my unit remains at your disposal for further queries, if any.

Yours sincerely,

(e-signed)

Didier Millerot
Head of Unit

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