The strengths and shortcomings of Solvency II in Europe

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Group buys FR construction business
- Skilled Person report
- Onsite insp.
- Ordered not to increase exposure to Elite
- Capital injection from CBL Group
- Set aside cash towards CBLI exposure
- Increase claims provision
- Elite enters run-off
- €25m payment from CBLI
- CBL Group COO resigns
- Significant under reserved for FR business
- Unlikely to meet target solvency ratio
- Ordered not to increase exposure to Elite
- Solvency ratio breach warning
- Solvency margin < 100%
- Ratings downgrade
- Share trading halted
- Ratings downgrade
- CBLI liquidation
- CBLIE administration
- Alpha administration
- Alpha Insurance (DK)
- Elite Insurance (GI)
- CBL Insurance Europe (IE)
- CBL Insurance (NZ)

Source: various

CBL Timeline
Chart not to scale
CBL Timeline

- Acquires FR construction business from Elite
- Skilled Person report
- Set aside cash towards CBLI exposure
- Onsite insp.
- Ordered to stop writing new business
- CBLIE administration
- Increase claims provision
- €25m payment from CBLI
- Alpha administration
- Group buys FR construction business
- Warning on quality of information sent to CBLI
- Onsite insp.
- Elite enters run-off
- Ordered not to increase exposure to Elite
- Solvency ratio breach warning
- Solvency margin < 100%
- Ratings downgrade
- Share trading halted
- CBLI liquidation

Source: various

Alpha Insurance (DK)
Elite Insurance (GI)
CBL Insurance Europe (IE)
CBL Insurance (NZ)
SCR Ratios EEA 2016-17

Source: EIOPA
SCR Ratios EEA 2016-17

+13%

Source: EIOPA
SCR Ratios Germany 2016-17

Source: solvencyiiwire.com
SCR Ratios EEA 2016-17

Source: EIOPA
MCR Ratios EEA 2016-17

Source: EIOPA
MCR Ratios EEA 2016-17

+58%

Source: EIOPA
MCR Ratios Germany 2016-17

Source: solvencyiiwire.com
MCR Ratios EEA 2016-17

Source: EIOPA
MCR Ratios Finland 2016-17

Source: solvencyiiwire.com
Own Funds Finland 2016-17

Source: solvencyiiwire.com