Commission Delegated Regulation (EU) 2019/1935 of 13 May 2019 amending Directive (EU) 2016/97 of the European Parliament and of the Council with regard to regulatory technical standards adapting the base euro amounts for professional indemnity insurance and for financial capacity of insurance and reinsurance intermediaries (Text with EEA relevance)

COMMISSION DELEGATED REGULATION (EU) 2019/1935

of 13 May 2019

amending Directive (EU) 2016/97 of the European Parliament and of the Council with regard to regulatory technical standards adapting the base euro amounts for professional indemnity insurance and for financial capacity of insurance and reinsurance intermediaries

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution[(1)], and in particular Article 10(7) thereof,

Whereas:

(1) The European Insurance and Occupational Pensions Authority (EIOPA) is required to regularly review the base amounts for professional indemnity insurance and financial capacity of insurance and reinsurance intermediaries to take into account the changes to the European index of consumer prices as published by Eurostat. Over the period 1 January 2013 through 31 December 2017, the European index of consumer prices produced for the Union by Eurostat has increased by 4,03 %. As a result, the abovementioned base amounts should be adapted by that percentage increase.

(2) Directive (EU) 2016/97 should therefore be amended accordingly.

(3) To enable Member States to adapt the relevant base amounts in their national provisions and to give insurance and reinsurance intermediaries enough time to take the necessary implementation measures, the application of this Regulation should be deferred.

(4) This Regulation is based on the draft regulatory technical standards submitted by EIOPA to the Commission.

(5) EIOPA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Insurance and Reinsurance Stakeholder Group established by Article 37 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council[(2)],

HAS ADOPTED THIS REGULATION:

Changes to legislation: *There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2019/1935. (See end of Document for details)*

Article 1

Amendments to Directive (EU) 2016/97

Article 10 of Directive (EU) 2016/97 is amended as follows:

(1) paragraph 4 is replaced by the following:

> 4. Insurance and reinsurance intermediaries shall hold professional indemnity insurance covering the whole territory of the Union or some other comparable guarantee against liability arising from professional negligence, for at least EUR 1 300 380 applying to each claim and in aggregate EUR 1 924 560 per year for all claims, unless such insurance or comparable guarantee is already provided by an insurance undertaking, reinsurance undertaking or other undertaking on whose behalf the insurance or reinsurance intermediary is acting or for which the insurance or reinsurance intermediary is empowered to act or such undertaking has taken on full responsibility for the intermediary's actions.;

(2) in the second subparagraph of paragraph 6, point (b) is replaced by the following:

> (b) a requirement for the intermediary to have financial capacity amounting, on a permanent basis, to 4 % of the sum of annual premiums received, subject to a minimum of EUR 19 510;.

Article 2

Entry into force and date of application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*. It shall apply from 12 June 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 13 May 2019.

For the Commission

The President

Jean-Claude JUNCKER