


Does the SFCR serve its purpose? A look at the numbers

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The Solvency and Financial Condition Report (SFCR) is meant to inform the public about an insurer's financial standing. However, the effort involved in producing SFCR reports is not proportionate to the public interest. Recent figures* by the German Insurance Association (GDV) indicate that SFCR downloads are in the low double digits and have fallen by more than 70% since the last industry survey in 2018**.



- Some companies recorded no SFCR downloads at all.
- No insurer reported receiving any inquiries about the contents of the SFCR.
- Even large insurance companies, including listed insurance companies, averaged only 13 SFCR downloads per month

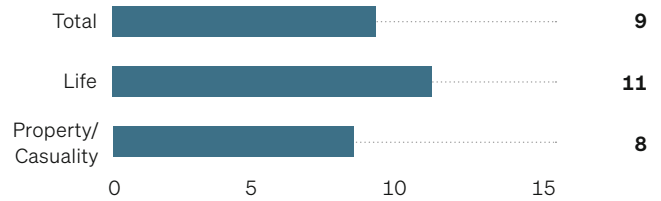
There was only one download per 264,000 insurance policies.*** 

Why are the Solvency and Financial Condition Reports not read more widely? Most parts of the SFCR are too long, technical and of limited relevance for the average policyholder. Additionally, the reports are of limited use to experts in their current form as well, as they primarily rely on quantitative data that is comparable and machine-readable.

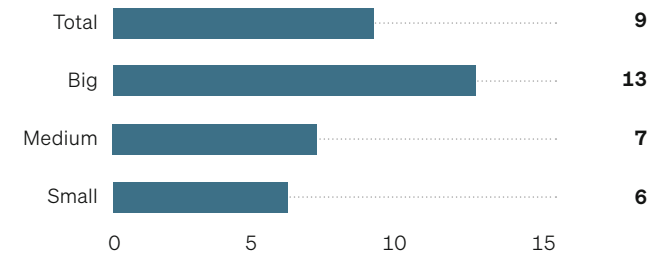
* GDV internal analysis (2024) of the SFCR 2022 download figures.
 ** GDV internal analysis (2018) of the SFCR 2017 download figures.
 *** Number of domestic insurance contracts 2022, GDV statistics, 27.09.2023 ([Link](#)).

SFCR 2022 download figures

Comparison by Segment · Ø Downloads / Month



Comparison by Company Size · Ø Downloads / Month



Source: GDV

Our solution

- Consider a further modernisation of the SFCR within three years after the new requirements of the Solvency II review enter into force.
- Replace the part of the report intended for policyholders with a transparent publication of solvency ratios.
- Restrict the part of the report intended for professionals to the publication of so-called Quantitative Reporting Templates (QRTs) contained within the SFCR, which already include more than 1300 data points.