

Commission Delegated Regulation (EU) 2015/35 of 10 October 2014  
supplementing Directive 2009/138/EC of the European Parliament  
and of the Council on the taking-up and pursuit of the business of  
Insurance and Reinsurance (Solvency II) (Text with EEA relevance)

TITLE I

**VALUATION AND RISK-BASED CAPITAL REQUIREMENTS  
(PILLAR I), ENHANCED GOVERNANCE (PILLAR II)  
AND INCREASED TRANSPARENCY (PILLAR III)**

CHAPTER V

**SOLVENCY CAPITAL REQUIREMENT STANDARD FORMULA**

*SECTION 1*

***General provisions***

*Subsection 6*

***Proportionality and simplifications***

*Article 111*

**Simplified calculation of the risk mitigating effect**

Where Article 88 is complied with, insurance or reinsurance undertakings may calculate the risk-mitigating effect on underwriting and market risk of a reinsurance arrangement, securitisation or derivative referred to in Article 196 as the difference between the following capital requirements:

- (a) the sum of the hypothetical capital requirement for the sub-modules of the underwriting and market risk modules of the insurance or reinsurance undertaking affected by the risk-mitigating technique, as if the reinsurance arrangement, securitisation or derivative did not exist;
- (b) the sum of the capital requirements for the sub-modules of the underwriting and market risk modules of the insurance or reinsurance undertaking affected by the risk-mitigating technique.

**Status:**

Point in time view as at 10/10/2014. This version of this provision has been superseded.

**Changes to legislation:**

Commission Delegated Regulation (EU) 2015/35, Article 111 is up to date with all changes known to be in force on or before 18 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.