

Solvency II - A Need or an Obligation?

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Abstract: *The role of the insurance sector has grown tremendously in the last twenty years, thus increasing the need for unification of rules for supervising the activities of insurance companies. In response to the increasing complexity of the financial services market, the European Commission drafted the Solvency II project, which will be implemented on 1 January 2016. For all the advantages that brings to insurance companies, for the insurance sector and the economy in general, the implementation of Solvency II is binding unless necessary. This paper summarizes the factors that make the necessary amendment of the directive Solvency I and a brief description of the most important elements of Solvency II directive: structure with three pillars of Solvency II and economic methods for calculating risk-based capital required. A program of Solvency II managed and delegated properly, will provide real competitive advantage for insurance companies.*

Keywords: *Solvency II, insurance sector, economic methods, advantages.*

