

# Summary of Comments on Consultation Paper 58 - CEIOPS-CP-58/09 CEIOPS-SEC-121-09

## CP No. 58 - L2 Advice on Supervisory reporting and disclosure

23.10.2009

CEIOPS would like to thank AAS BALTA, AB Lietuvos draudimas, ACORD, AFA, Association of British Insurers, Association of Friendly Societies, Association of Run-off Companies, Belgian Coordination Group Solvency II (Assuralia/, Bupa, CEA,

ECO-SLV-09-453, CRO Forum, Danish Insurance Association, DENMARK: Codan Forsikring A/S (10529638), Dexia, DIMA (Dublin International Insurance & Management , Dutch Actuarial Society – Actuarieel Genootschap (, ECIROA, European Insurance CFO Forum, European Union member firms of Deloitte Touche To, Federation of European Accountants (FEE), FERMA (Federation of European Risk Management Asso, FFSA, German Insurance Association – Gesamtverband der D, GROUPAMA, Groupe Consultatif , Institut des actuaires (France), INTERNATIONAL GROUP OF P&I CLUBS, International Underwriting Association of London, Investment & Life Assurance Group (ILAG) , Ireland's Solvency 2 Group, excluding representa, Just Retirement Limited, KPMG ELLP, Legal & General Group, Link4 Towarzystwo Ubezpieczeń SA, Lloyd's, Lucida plc, Munich RE

, NORWAY: Codan Forsikring (Branch Norway) (991 502 , OAC Actuaries and Consultants, Pearl Group Limited, PricewaterhouseCoopers LLP, ROAM (Réunion des Organismes d'Assurance Mutue, RSA Insurance Group PLC, RSA Insurance Ireland Ltd, RSA - Sun Insurance Office Ltd., St Erik Försäkrings AB

Institutno: 22067

S-103 24 , SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799), UNESPA – Association of Spanish Insurers and Reins, uniqa, and XL Capital Ltd

The numbering of the paragraphs refers to Consultation Paper No. 58 (CEIOPS-CP-58/09).

No.	Name	Reference	Comment	Resolution
1.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	General Comment	<p>The requirements are overly burdensome and detailed and will be expensive to implement</p> <p>The reporting required is not always appropriate for the target audience.</p> <p>There should be a clear distinction between the level of requirements for the SFCR and for the RTS.</p>	Noted

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			<p>Duplication of reporting between the SFCR and the RTS should be minimised.</p> <p>Duplication of reporting between other reports and the SFCR and the RTS should be minimised.</p> <p>The requirements ask for reporting of information that is too sensitive.</p>	
2.	ACORD	General Comment	<p>ACORD is a not-for-profit, data standards setting organization for the insurance industry. ACORD takes no position on the information which CEIOPS wished to have reported under Solvency II, but ACORD would like to offer its expertise to work with CEIOPS and the European insurance industry on the development of voluntary data standards and processes which will assist in the implementation of the data reporting envisioned by CEIOPS and the European Commission. ACORD has expertise in information and data management in an international context. While CP 58 addresses various implementation aspects related to supervisory reporting and public disclosure, we only comment on aspects related to this ACORD core expertise.</p> <p>Generally we believe that the amount and detail of information requested and as explained in CP 58, represents a major challenge from a data/information management perspective for companies and the supervisory bodies. ACORD would like to suggest CEIOPS is more likely to accomplish its goals if a broader process is instituted to ensure CEIOPS requirements are compatible with current industry data design/management best practices.</p>	Noted. CEIOPS would encourage ACORD to contact the CEA, CRO Forum etc to work with them.

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			<p>The process of getting to the desired reports from company specific data must begin with the definition of related business processes and the identification of the associated data elements and their specific context. Exactly what makes up a context is ever changing. Currently there are no European-wide data standards. We think these must begin to be developed before harmonized data reporting begins.</p> <p>This process should begin with the mapping of all data to a central model. This central model would be available to all the industry providing a value to ease the implementation of data across enterprises.</p> <p>We believe that CEIOPS will have a better chance of obtaining the quality data it seeks if the private sector undertakes the work of defining the business process, data elements and their context. To that end, ACORD had begun discussion with the principle industry associations in Europe to establish a working group to begin this definitional process. This process has been a lengthy one and has been delayed since our earlier meetings with you because of other Solvency II issues which have taken precedence in the European associations. We are confident though that we can move ahead immediately with a coordinated process.</p> <p>Specifically, we would like to propose the establishment of a working group in cooperation with European insurance associations including the CRO Forum, CEA, IUA, BIPAR and AMICE and well as national data standard setters. ACORD is will to serve as coordinator on behalf of the industry.</p>	
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			<p>We hope that the CRO Forum, CEA and ACORD can reach final agreement on the process in the near term. If so, we would create a Solvency II Reporting Working Group with domain and information/ data experts from insurance industry players and ACORD to develop an industry-wide approach to Solvency II to ensure data quality and accuracy, including data dictionary, glossary of terms, information model use, effectiveness of information flows, and elements of reporting governance.</p> <p>ACORD has experience bridging between national requirements and international perspectives, while maintaining geography and marketplace unique data needs. ACORD has worked on data harmonization activities with national standard bodies and eEG7; global catastrophe exposure standards; and, a reinsurance / large commercial standard which includes exchange of risk/liability information similar to Solvency II reporting requirements.</p> <p>ACORD can provide implementation support for standards through technical expertise and has proven operating procedures for data development and maintenance, common processes, information frameworks, data definitions and models, forms, code lists, and electronic message formats.</p> <p>In addition, ACORD has in place anti-competitive protection derived from its status as a data standards organization and a not-for-profit.</p> <p>ACORD and its partners hope to meet with the CEIOPS Data</p>	
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			Working Group to discuss next steps in detail. While we are not asking CEIOPS to endorse the process, we do believe a cooperative effort will increase the quality of data to be reported to CEIOPS and will ease the burden of compliance on the companies.	
3.	AFA	General Comment	It is with satisfaction we see the development of the Health Module within the standard model and our general comment on CP 58 is related to the Health Module and how the Health industry shall report. Our statement is that the health industry needs specific supervisory reporting which can't be completely similar to the life or non life reporting. Therefore it is our opinion that the supervisory reporting shall be adjusted so the specific circumstances that health industry works within are considered.	Noted
4.	Association of British Insurers	General Comment	<p>The public reporting requirements appear overly detailed.</p> <p>The ABI accept that it is necessary for firms to provide comprehensive reporting and disclosure both to supervisors and publicly. However, we are concerned that the proposed requirements for the SFCR in this consultation paper are too detailed and will constitute an unreasonable burden on the industry.</p> <p>In the consultation CEIOPS accepts that proportionality and materiality principles should be applied with respect to all the aspects covered by this CP. However, it is not always clear that these principles are reflected in the advice.</p>	Noted. These points have been addressed where they have been specifically raised.

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		<p>We understood that the intention was that the RTS and the SFCR should be a single document with the SFCR consisting of higher-level information and the RTS including also a more detailed level of information which it would be appropriate to give to supervisors. Given the close similarity between the format of the SFCR and that proposed for the RTS it seems that this remains the intention. However, the considerable level of detail called for in relation to the SFCR means that we are unclear about the extent to which the RTS will differ from the SFCR. It would be helpful if CEIOPS provided further illustrations, with examples, of the different levels of detail required.</p> <p>Since the target audience of the SFCR differs from the RTS public disclosure should be limited to more high level information leaving out much of the technical information and other detailed low level information currently proposed. Too much detailed low-level information will likely give rise to confidentiality concerns (and will be confusing from the perspective of those policyholders who try and make use of it).</p> <p>We believe that the correct way forward is to reduce the amount (but not the scope) of the information in the SFCR while retaining the detail in the RTS.</p> <p>The target audience is not clear</p> <p>Both the SFCR and the RTS should contain information that is appropriate to the target audience.</p> <p>It is, however, unclear what the intended target audience is for the SFCR. The CP suggests that a wide range of stakeholders including</p>	
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		<p>policyholders will use it. However, the proposed disclosure requirements are such that SFCRs are only likely to be of use to specialist commentators and analysts and are unlikely to be accessible to policyholders. We believe that the SFCR should be a higher-level document aimed at investors and advisors (we are sceptical whether any but the most knowledgeable policyholder would find even a higher level SFCR useful).</p> <p>Duplication of reporting between other reports and the SFCR and the RTS should be minimised.</p> <p>There will be an obvious overlap of the information required for supervisory purposes and what is required by accounting rules and other reporting requirements. We accept that there are differences between accounting and regulatory requirements but nevertheless believe that as far as possible the information in the SFCR and the RTS should be derived from the report and accounts (this would not just encompass accounting information but also the substantial amount of information on the business and corporate governance included in the annual report) and believe that a better and more flexible approach would be to use the accounting requirements (as long as they also fulfil the Solvency II requirements) as a starting point and make it possible, although not mandatory, to publish the SFCR as an extended part of the annual report - possibly as an annex to the annual report with a reference in the management's review. There seems to be no hindrances to this in the wording of the directive.</p> <p>Duplication between solo and group levels should be minimised.</p> <p>The interaction of group and solo reporting has to be clarified. Double reporting on group and solo level should be avoided. For Groups, the proposed structure of the annual SFCR is for a single</p>	
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			<p>group report, with annexes provided for each EU supervised subsidiary undertaking. It would make sense to structure the RTS in the same way.</p> <p>In relation to groups it is unclear to us from the CP how non-EEA subsidiaries should be treated in group SFCR/RTS.</p> <p>The requirements ask for reporting of information that is too sensitive.</p> <p>Some the requirements in the SFCR ask for reporting of sensitive information which we believe should be limited to the RTS. A particular concern is the proposed disclosures in relation to internal models (other concerns are highlighted in our responses to particular paragraphs of the CP).</p> <p>Monoline insurers have expressed particular concern that the level of information requested in the SFCR could result in commercially sensitive information about their businesses being made available publicly.</p> <p>Links and references to other documents should be permitted.</p> <p>It is very burdensome to have to repeat in the SFCR and in the RTS information that is already contained in other published documents. We therefore strongly support allowing hyperlinks and references to other documents.</p>	
5.	Association of Friendly Societies	General Comment	The Association of Friendly Societies represents the friendly society sector in the UK. We have 46 friendly society members, who are all member-owned mutual organisations. Typically they offer long term savings and protection policies, with generally low minimum premiums. Friendly societies are typically small, though well-capitalised, and have a distinctly different business model to	Noted





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				Noted
				Noted
				Noted
8.	CEA, ECO-SLV- 09-453	General Comment	<p>The CEA recognises that supervisory reporting and disclosure are important elements of the new regime. We agree with the need to enhance reporting and disclosure. However, the requirements in CP58 are excessive and could create an unjustified burden to undertakings.</p> <p>The requirements in this consultation paper go beyond what is stipulated in the Level 1 text, particularly with regards to the Solvency and Financial Condition Report. Proportionality and materiality principles need to be expressed more precisely and rigorously applied with respect to all the aspects covered by this CP. The requirements for the Report to Supervisors, as outlined in the CP, are also exhaustive and we fear that they will constitute an unreasonable burden for both undertakings and supervisors. The advice in this CP is not line with the principles-based approach of Solvency II.</p> <p>For cross border groups, in particular, the requirements will be overly burdensome because of the amount of detailed information</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>

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			<p>required for undertakings and the group as well as different language requirements.</p> <p>We suggest to reduce the level of details in the formalised reports and that the level of details could instead increase in the event of an (on site or off site) investigation.</p> <p>Supervisors can ask for more information but it is not useful for undertakings to regularly provide information that may not be used by the supervisors or by other stakeholders. Regular reporting should not try to anticipate the potential need for ad hoc information and thereby become overblown and inefficient. It is also worth considering that verbal information can sometimes be more efficient for both the supervisor and the undertaking than written information. There should be possibilities for this if the supervisor finds it more useful.</p> <p>The proposed advice could lead to higher administrative costs, which may have to be passed on to customers.</p> <p>To avoid unnecessary costs for undertakings the scope of data which has to be audited should be limited and build on current auditing for accounting purposes. In particular, detailed performance reporting based on a solvency valuation basis would differ significantly from accounting performance reporting and would be a burdensome additional reporting requirement.</p> <p>The reporting required is not always appropriate for the target audience.</p> <p>Both the SFCR and the RTS should contain information that is appropriate to the target audience. There should be a clear</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

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			<p>distinction between the level of requirements for the SFCR and for the RTS. The needs of the target audience should drive different types of reporting.</p> <p>The demands for public disclosure in the SFCR are generally excessively detailed and far too extensive compared to what the target group would require. Much of the information requirements concerning more details on, for example, risk management (3.150 – 3.156) or approved internal models (3.243-3.262) is not understandable even for highly informed readers – unless they are professionals within the industry itself. Since the target audience of the SFCR differs from the RTS and includes, among others, policyholders, the public disclosure should be limited to more high level information excluding too much technical information and other detailed low level information from such disclosure. Otherwise this is likely to give rise to confidentiality concerns (and will, from the perspective of the policyholder, likely not help in forming a good understanding of the overall risk exposures of the undertakings). See also comments on 3.76.</p> <p>The RTS as well contains too much information and we question whether the supervisory authorities will make use of it all.</p> <p>It is important to have standardised reporting for quantitative supervisory reporting.</p> <p>From a practical point of view we would like to stress the importance of standardized reporting standards across Europe (such as XBRL or ACORD) to apply to the quantitative supervisory reporting. This harmonised solution needs to be available as soon as possible, as undertakings will need time to implement relevant systems. However, the proposed templates (xls sheets) in Annex D exceed the information that is necessary to adequately perform an insurance undertaking's solvency and financial condition</p>	<p>Noted</p> <p>Noted</p>

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			<p>assessment. They include information that is highly sensitive in that they are relevant for competition and at the same time they should not be important for the assessment of risks. It is particularly important that reinsurers should not be required to provide the same amount of information details as direct insurers.</p> <p>Duplication of reporting between the SFCR and the RTS should be minimised.</p> <p>There are still overlaps of information to be submitted within different parts of the reporting framework. This should be looked at to avoid unnecessary duplication of efforts.</p> <p>For example:</p> <p><input type="checkbox"/> If a (re)insurer wants to apply for an internal model, do they need to send in two sets of SFCR and RTS during the parallel reporting period or should they report the required information twice in the same SFCR and RTS (once for the standard model calculations and once for the internal model calculations)? The section on performance from underwriting activities (3.98) is one example out of many where it would be necessary since the undertakings' underwriting performance should be reported per material LoB. How will this be done if there are two sets of LoBs, one standard model set required by Ceiops and one internal set of LoBs?</p> <p><input type="checkbox"/> The SFCR has to be a stand-alone document since the public does not have access to the RTS. But Ceiops mentions specifically that also the RTS is a stand-alone document that the supervisor should be able to read and understand without following references to any other document. Yet all elements set out in the SFCR shall be included (3.282). This will trigger an additional workload in the</p>	Noted

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			<p>undertakings as they will be forced to duplicate several pieces of information into the two different reports. It is far less efficient if undertakings have to give the same piece of information twice in different contexts – with all the double checking of consistencies between the two, than if supervisor looks for information in two reports rather than one.</p> <p>Duplication of reporting between other reports and the SFCR and the RTS should be minimised.</p> <p>There will be an obvious overlap of the information already required to be publicly disclosed by accounting rules. We believe that a better and more flexible approach would be to use the accounting requirements (as long as they also fulfil Solvency II requirements) as a starting point and make it possible to publish the SFCR as an extended part of the annual report - possibly as an annex to the annual report with a reference in the management's review. There seems to be no hindrances for this in the wording of the directive.</p> <p>In our opinion if the annual public disclosure is included in the financial statements multiple objectives are achieved, amongst others:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Economic measures which are used for accounting (see CP 35) are aligned and automatically reconciled. Furthermore these numbers are also audited;</li> <li><input type="checkbox"/> Risk management disclosures and risk sensitivities (IFRS 4, IFRS 7 and IAS 1) are similar for accounting disclosures and solvency. Ensuring the perspective of the stakeholders that policies are aligned and based on similar risk exposures;</li> <li><input type="checkbox"/> Any differences between solvency and accounting are easily reconciled because all information is included in one document;</li> </ul>	<p>Noted</p> <p>CEIOPS disagrees that accounting rules are sufficient within Solvency II</p> <p>Noted</p>

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		<p><input type="checkbox"/> Alignment will limit the administrative burdens for insurers by requiring only one document to be submitted;</p> <p><input type="checkbox"/> From the perspective of the policyholder and other stakeholders the confidence in the presented disclosures will be enhanced while both systems (accounting and solvency) are more aligned and interconnected.</p> <p>Duplication between solo and group levels should be minimised.</p> <p>The interaction of group and solo reporting has to be clarified. Double reporting on group and solo level should be avoided. For Groups, the proposed structure of the annual SFCR is for a single group report, with annexes provided for each EU supervised subsidiary undertaking. It would make sense to structure the RTS in the same way. In addition, in relation to groups it is unclear to us from the CP how non-EEA subsidiaries should be treated in group SFCR/RTS.</p> <p>The requirements ask for reporting of information that is too sensitive.</p> <p>Some the requirements in the SFCR and/or the RTS ask for reporting of sensitive information. We objected to the detailed public disclosure requirements on ancillary own funds already in CP 29. We propose that the following should only be reported in the RTS and not in the SFCR:</p> <p><input type="checkbox"/> Information about the fitness and propriety principles</p> <p><input type="checkbox"/> The outsourcing policy</p> <p><input type="checkbox"/> The name of the counterparty for each ancillary own funds item</p>	<p>Noted</p> <p>Looked into sensitive information in SFCR.</p>

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		<div> <input type="checkbox"/> The details of the risk limits and risk appetite in relation to business objectives         </div> <div> <input type="checkbox"/> Detailed information on internal models         </div> <p>In addition, monoline insurers have expressed particular concern that the level of information requested in the SFCR could result in commercially sensitive information about their businesses being made available publicly.</p> <p>Reporting requirements for reinsurance undertakings should also take account of the special characteristics of reinsurance business, in particular the fact that the policyholders are themselves insurance or reinsurance undertakings (see Recital 14d of the Framework Directive). Availability of data and its level of detail might differ in direct insurers and reinsurers. The reporting requirements have to reflect the proportionality principle, especially the nature of the reinsurance business.</p> <p>Links and references to other documents should be permitted.</p> <p>It is very burdensome to have to repeat in the SFCR and in the RTS information that is already contained in other published documents. We therefore strongly support allowing hyperlinks and references to other documents.</p> <p>Other consultation papers should not result in additional or conflicting requirements.</p> <p>Ceiops has put additional reporting requirements in other CPs. These proposals should not conflict with CP 58. Our position in</p>	<div>Noted</div> <div>Noted</div> <div>CEIOPS disagrees that this is appropriate</div> <div>CEIOPS disagrees that this is appropriate</div> <div>Noted</div>	



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			respect to these additional reporting requirements in the context of other CPs have to be considered by Ceiops. For example we rejected Ceiops' proposals as regard public disclosure on ancillary own funds in CP 29 and would like to reiterate our position here. In addition, we are opposed to the new proposals in CP 59 on public disclosure of remuneration policies (see CP 58, e. g. 3.62).	
9.	CRO Forum	General Comment	<p>58.A A key goal should be to achieve the required level of transparency in an efficient manner (priority: very high)</p> <p>The CRO Forum is concerned about the overall volume (both scope and granularity) of reporting proposed. It is not clear that the principles of materiality and proportionality have been appropriately applied. The Forum believes that there is the need for more rigorous cost/ benefit analysis than has so far been carried out. The final overall reporting requirements should achieve transparency but avoid inefficiencies (via undertakings incurring unnecessary costs, information overload for users or otherwise) in the supervisory process. The means by which public communication is achieved should maximise the opportunities offered by existing reports, particularly the Annual Report.</p> <p>58.B The proposals for public (SFCR) and private (RTS) disclosure need to be rebalanced (priority: very high)</p> <p>The CRO Forum considers that the proposals for public and private disclosure need to be rebalanced. Examples are provided later in this document of information items proposed by CEIOPS for public disclosure which should clearly remain private if they are required. In the Forum's opinion, the overall goal should be a public report (Solvency and Financial Condition Report: SFCR) covering the points identified in the CRO Forum paper "Public Risk Disclosure Under Solvency II" of November 2008.</p> <p>58.C The proposed reporting timescales are too aggressive</p>	<p>Agree</p> <p>Noted</p> <p>Noted</p>



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			<p>(3.282). This will trigger an additional workload in the undertakings that will be forced to duplicate several pieces of information into the two different reports. This must reflect a wish to avoid supervisors having to look for information in two different places. This is a matter of burden sharing.</p>	Noted
			<p>It's far less efficient if undertakings have to give the same piece of information twice in different contexts – with all the double checking of consistencies between the two this implies - than if supervisor looks for information in two reports rather than one. On top of that the Supervisors job of ensuring consistencies between the two sources even increases – with little or nothing gained with regards to ensuring high quality risk-based supervision.</p>	Noted
			<p>Duplicating information is one thing - even less efficient is the opening towards the alleged need to present similar information in different ways in the two documents. This possibility is presented with absolutely no formal admission requirements in order for the Supervisor to be able to use this possibility. Only a vague example of when such requirements could be necessary is presented. There should be some sort of formal requirements as to when the supervisor can demand information - already given and accepted in the SFCR - to be presented in different ways in the RTS.</p>	Noted
			<p>The demands for public disclosure in the SFCR are generally excessively detailed and far too extensive compared to the target group of the information. Many of the information requirements concerning more details on for example risk management (3.150 – 3.156) or approved internal models (3.243-3.262) have no use even for highly informed readers – unless they are professionals within the industry itself. As for the public information on internal</p>	Noted

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			<p>models we think that less detailed and more generic information should be public for the sake of competitive reasons. The fact that the model is approved after severe consideration by the Supervisor is a guarantee for the general public that the model is reliable.</p> <p>As an objective for CEIOPS proposals ensuring efficient supervision of insurance groups and financial conglomerates is mentioned. The same objective should be specified in relation to solo supervision.</p> <p>The SFCR will contain information also present in the annual report. The annual report is the preferred source of information on undertakings financial situation in general for the general public. Therefore we suggest that the SFCR becomes a part of the annual report – possibly as an annex to the annual report with a reference in the management’s review. There seems to be no hindrances for this in the wording of the directive.</p> <p>Specifically in relation to the quantitative reporting template it is unsettling that the templates in annex D is only a preliminary draft since especially the following issues should be dealt with at level 2: Which templates should be reported quarterly and which ones annually? Which templates should be published as a part of the SFCR? How to impose the principle of proportionality?</p>	<p>Noted</p> <p>More difficult to find information. With the same structure for all in SFCR it would be more easy.</p> <p>Not decided yet. Will be in Level 3</p>
11.	Dexia	General Comment	<p>Dexia welcomes the opportunity to bring forward its comments to the set of advice for Level 2 of Solvency II concerning the Supervisory Reporting and Public Disclosure Requirements.</p> <p>The proposal of CEIOPS has been analysed from a banker’s point of view, therefore our comments contain</p>	<p>Noted</p> <p>Noted</p>

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			<p>suggestions oriented mostly towards the consolidation of a group. Consequently we promote the harmonisation of reporting, reduction of costs and administrative burdens and the use of XBRL as the IT common language.</p>	Under discussion in IT-Task force
			<p>We support CEIOPS in its efforts to address these important issues and to provide a consistent set of guidelines regarding the Level 2 implementation of Solvency II applicable for insurance undertakings, nevertheless we consider that the draft has some points that require further analysis and where we have made some suggestions.</p>	Noted
			<p>First of all, we consider that, even though companies must distinguish between public and prudential reporting, this is not always clearly stressed out in the document. One of the differences between Solvency II and Basel II in terms of reporting is that Pillar III for insurance treats public and prudential reporting whereas Pillar III for banks only treats public reporting (Market discipline) and that they should be closely related. Public and prudential reporting will be different in many terms (level of detail, frequency, etc.) since supervisors do not have the same objective as shareholders, investors and other market stakeholders.</p>	Noted
			<p>Second, we draw the conclusion that CEIOPS' proposal aims at harmonising the public and supervisory reporting not only on Solvency II but also on financial reporting. Although Dexia supports this very positive initiative, the objective can not be achieved at solo level for financial reporting because of the use of local GAAP</p>	Noted

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			<p>and not IFRS in most of European countries.</p> <p>For this purpose we favour using a "maximum data model" that would incorporate all national requirements. Supervisors should not be allowed to change the content of this unique European reporting or to ask for additional information on a regular basis, since implementation costs are less important than recurrent costs.</p> <p>With regard to the IT language to be used in order to provide comparability among all national European reporting systems and to ease the exchange of information, we strongly advocate for using XBRL as a common language, offering many advantages such as: flexibility of format, free structure/layout, its standardisation of analysis, etc.</p> <p>Finally, we also want to underline that the definition of the content of a data is paramount. On this regard, there is an important difference between Solvency and Accounting: if definition of terms may be precisely prescribed in the Solvency Directive, it cannot for IFRS. Indeed, IFRS are principle based and financial statements are approved by public auditors. Supervisors should refrain using Solvency definitions for financial supervisory reporting since it would lead to a disconnection of public reporting with supervisory reporting.</p>	<p>Noted</p> <p>Noted</p>
12.	DIMA (Dublin International Insurance & Management	General Comment	<p>DIMA welcomes the opportunity to comment on this paper.</p> <p>Comments on this paper may not necessarily have been made in conjunction with other consultation papers issued by CEIOPS.</p> <p>The paper states that the principle of proportionality will apply; what is required in practice will be very important for the captive</p>	<p>Clarified in the advice</p>

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			industry.	
13.			Confidential comment deleted	Noted
				Noted
				Noted

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				Noted
				Noted



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14.	ECIROA	General Comment	<p>ECIROA is in full agreement with providing a Report to Supervisors but consider that the SFCR is not appropriate for captives. The reasons for this are detailed in the document but in summary, there are issues of confidentiality for the parent company and the requirement for public disclosure does not apply as the captive is insuring the risks of its parent company.</p> <p>In the process of developing a proportionate reporting package for captives it is very important to consider how much information would be necessary to get a full picture of the company in question. For small, simple companies a lot less data is needed for a supervisor to understand a captive.</p> <p>HR comment: Here, or somewhere in the E CIROA responses, I recommend the following language:</p> <p>Besides the close identity between shareholders and insureds, captives differ from commercial insurers in these important respects:-</p> <p>(1) They write a restricted number of lines of insurance business (property, liability, for example) and normally issue a small number of policies (e.g. global programmes with one policy per insurance class)</p> <p>(2) They insure or reinsure a restricted number of risk units (sites, vehicles, for example)</p>	No exceptions for Captives. Proportionality should apply

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			<p>(3) They have a restricted number of insureds, or clients</p> <p>(4) They insure or reinsure above deductibles that are high enough to reduce the relative number of claims they receive every year.</p> <p>Please note that where a comment has not been made on a particular paragraph, this does not indicate that we agree with the paragraph.</p>	
15.	European Insurance CFO Forum	General Comment	<p>The proposals for public (SFCR) and private (RTS) disclosure need to be rebalanced:</p> <p>The report to supervisors is clearly designed to meet the needs of the regulator; however, it is unclear whether a public disclosure document containing essentially the same information, albeit less detailed, will be useful to policyholders or other stakeholders.</p> <p><input type="checkbox"/> The Solvency and Financial Condition Report should be tailored to the needs of users (i.e. policyholders, etc.). The proposed volume of disclosure is a potential barrier to transparency and effective communication, also avoiding confidentiality issues</p> <p><input type="checkbox"/> The option to report a single group-wide SFCR should allow:</p> <ul style="list-style-type: none"> <li>- Focus on the consolidated group disclosures with selected essential information wherever relevant on the solo entities, such as segmental and geographical breakdown of key data. Detailed solo entity level reports in the disclosure document itself or as appendices should not be required.</li> <li>- It should also only be required in one language only (commonly understandable by all the supervisory authorities concerned).</li> </ul>	<p>Some changes made in advice due to sensitive information in SFCR</p> <p>Noted</p> <p>CEIOPS disagree that this is sufficient</p> <p>Partly changed to less language requirements</p>

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			<p>The public disclosure document should be a short document that builds on the risk disclosures (if any) in the financial statements allowing for cross references and should provide additional information relating to the solvency position of the company. The CRO Forum prepared a document titled "Public risk disclosure under Solvency II" dated 17 November 2008, which was also shared with the CFO Forum, proposing contents for the SFCR.  <a href="http://www.croforum.org/publications/20081117_resource/File.ecr?fd=true&amp;dn=publicriskdisclosure-croforumproposal2008-11-11_draft_croformat_v2">http://www.croforum.org/publications/20081117_resource/File.ecr?fd=true&amp;dn=publicriskdisclosure-croforumproposal2008-11-11_draft_croformat_v2</a></p> <p>Reporting requirements should be streamlined to essential information to minimise financial impact on policyholders.</p> <p>The basis of the Performance Reporting requirements is unclear and the disclosure of a P&amp;L (proposed templates – C2) mixing statutory and economic principles (discounted reserves, unwinding of discount) is confusing</p> <ul style="list-style-type: none"> <li>- Performance reporting should be based on existing reporting frameworks – either management's view or published financial statements in order to avoid confusion in terms of financial communication and avoid undue costs.</li> <li>- Movement analyses focusing on certain areas of the economic balance sheet between two annual reporting periods explaining main changes in available financial resources could be part of the private reporting to supervisors.</li> </ul> <p>The reporting timescales are too aggressive.</p>	<p>Noted</p> <p>For Level 3</p> <p>CEIOPS disagree that the is sufficient</p> <p>For Level 3</p> <p>Propose a transitional period of two years</p>
16.	European Union member	General Comment	<p>Preliminary comment</p> <p>European Union member firms of Deloitte Touche Tohmatsu are</p>	

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firms of Deloitte Touche To			currently involved in the Level 2 Impact Assessment of Solvency II conducted by the European Commission. Some elements of the "Supervisory Reporting" and "Public Disclosure" are part of the policy issues and options dealt with by this impact assessment. As a consequence, we have restricted our comments to those areas where there is no overlap with the issues addressed in the Impact Assessment.	Noted
			Overall comments	
			We broadly concur with the draft implementation measures as published in CP58. We also welcome the extensive reference to IFRS disclosures throughout the CP. We agree with CEIOPS in highlighting the importance of analysing the implications of Pillar 3 requirements to leverage as far as possible existing reporting processes, systems and controls.	Noted
			There are no transitional requirements in the CP for the first time publication of the SFCR and RTS. We further note CEIOPS is seeking clarification from the European Commission on the date of the first time publication. We recommend that rather than requiring firms to produce SFCR and RTS reports as at the implementation date of 31 October 2012, that firms be required to provide a public statement on that date that they comply with Solvency II requirements. We further recommend that the first date of publication of the SFCR and RTS is for the first financial year end after 31 October 2012. This is consistent with the approach taken with Basel II and allows companies to demonstrate that they are in compliance from when Solvency II comes into force whilst avoiding the significant burden of producing reports as at that date.	Noted
			We consider the timetable for the quarterly reporting is onerous given significant work will be required to calculate the SCR, in particular for firms using internal models. We recommend this timeframe is extended to six weeks after the reporting date.	Noted

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			<p>We considered that where the advice requires demonstration of compliance with certain rules that further guidance should be given on how this can be shown through the RTS. We consider that this could be achieved by statements to the effect that the directors consider their policies, procedures or methodologies are appropriate and that this would suffice. This would provide an elegant solution and would be consistent with the spirit of Solvency II in its reliance on directors' judgement and the principle of proportionality. If this is agreed by CEIOPS then we consider this principle should be made clear in the Level 2 advice.</p> <p>There are a number of duplications of advice which we recommend are removed to increase clarity. There are a number of paragraphs contained in the explanatory notes which refer to required disclosure using assertive language but which are not found in the draft Level 2 advice. We recommend that these be included in the Level 2 advice to be sent to the EC. We have listed these duplications and explanatory notes below.</p> <p>IFRS Terms</p> <p>Whilst IFRS is the reference framework for the Solvency II regime, the reporting is for a different purpose from IFRS statutory reporting and different audience since it is primarily balance sheet and solvency focussed. The policyholders, as the key stakeholder and user of the SFCR, will not necessarily be familiar with IFRS terminology. It is therefore important to provide explanation of certain concepts used, for example "FVTPL" or "amortised cost". We therefore consider that it should be a requirement to provide a glossary of terms to provide that clarity given the potential wide readership of the report. For example, there is some precedent in the UK for the use of "plain English" when preparing documentation for policyholders, for example, policy key fact sheets. A simple system, such as underlining or using a colour could be used to denote a term explained within the glossary.</p>	<p>Noted</p> <p>Noted</p> <p>Both IFRS and local Gaap will be used</p>

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			<p>We consider that the terminology in the QRTs should be made more consistent with IFRS as the reference framework for the regime, to aid the comparability between statutory and regulatory reporting. For example, "other regularisation accounts" is not terminology from the IFRS.</p> <p>Negative disclosure</p> <p>We considered that if there is no disclosure to make under the Solvency II regulations, we recommend that a comment to this effect is made to make this negative disclosure explicit and clear. This should help to simplify the supervisor's review of the reporting by avoiding extensive review to identify if the disclosure in question has been made elsewhere in the SFCR or RTS. It should help avoid clarification queries from the supervisor.</p>	<p>See above</p> <p>Noted</p>
17.	Federation of European Accountants (FEE)	General Comment	<p>In this letter we share our vision with respect to issues that relate to the external auditors' function. We comment also on certain other detailed aspects of the CEIOPS paper.</p> <p>In the Paper, CEIOPS sets out initial proposals on the qualitative and quantitative information to be published and to be provided to the supervisor, the frequency of reporting and the level of assurance to be provided by external auditors. We appreciate that some of the information will be included and more specifically defined in Level 3 supervisory guidance rather than Level 2 implementing measures. This will help to provide a comprehensive picture of how the Solvency and Financial Condition Report (SFCR) and the Report to Supervisors (RTS), together with the supporting quantitative templates, will probably look like.</p> <p>We sympathise with CEIOPS' initial preference for supervisory reporting that is based upon quantitative information according to</p>	<p>Noted</p> <p>Noted- Level 3</p> <p>Noted</p>

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			<p>Annex D of the Paper, qualitative information according to the “material changes” principle, separation between a limited quarterly set and a full annual set, standardised quantitative information and qualitative information in a predefined order, but in a free format and audit of a selected subset of information only (Annex A of the Paper).</p> <p>In the Paper, CEIOPS has not taken a position as to whether the results of the audit should be reported to the supervisor only nor as to whether part of the SFCR should be accompanied by an auditors opinion. We recommend that the paper clarifies that when audited information is made publicly available, the auditors’ opinion is consistent with International Standards of Auditing issued by the IAASB (i.e. reasonable assurance/positive opinions for audits and limited assurance/negative opinions for reviews). Where the auditors work is on private reports to regulators, there would be more room for the agreement of specific requirements.</p> <p>However, we would like to point out that information which is subject to formal audit reporting – whether in the form of an audit or review opinion - should always consist of quantitative information and certain qualitative information (principles of valuation, critical accounting principles, major assumptions, models and parameters used, link to risk management and control for “through the eyes of management” information, etc.) so that the user of that information will have a comprehensive and unambiguous picture of what the audit relates to. Concentrating this information in one clearly identifiable subsection of the reported information would be a courtesy to the reader.</p> <p>Consequently, it may be necessary to review the information requirements discussed in Chapters 3.3 and 3.4 of the Paper to</p>	<p>Look into in Level 3</p> <p>Noted</p> <p>Noted</p>

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			<p>clearly identify which information provides the required underpinning of the quantitative templates to be audited.</p> <p>Considerations for mandating involvement of the external auditor</p> <p>We welcome CEIOPS' decision to open discussions around the need for independent assurance of certain information of the SFCR and the RTS. Firstly, it is important to create a level playing field as opposed to the inconsistent current state of supervisory reporting and auditor involvement within the European Union. Secondly, "auditability" of the information requires a timely dialogue between auditors and undertakings in order to ensure effective and efficient implementation of both the "audit requirements" and the underlying requirements relating to the undertaking's information systems and control structure.</p>	Noted
18.	FERMA (Federation of European Risk Management Asso	General Comment	Ferma welcomes this opportunity to provide comments on this Consultation paper. The main purpose of our comments is to outline specificities of captive insurance and reinsurance undertakings as defined in Art 13-1a of the Directive.	Noted
19.	FFSA	General Comment	<p>Overall, FFSA considers that the public reporting requirements described in this CP are overly onerous and time consuming and are likely to be of little or no value to the general public. FFSA thinks that they should consequently be considerably streamlined</p> <p>CEIOPS proposes to include the following information in the SFCR (public disclosure) :</p> <p>-The remuneration policies considerations - including the</p>	<p>Noted</p> <p>Noted</p>



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		<p>relationship between remuneration and risk</p> <ul style="list-style-type: none"> <li>-Information about the fitness and propriety principles</li> <li>-The outsourcing policy</li> <li>-The name of the counterparty for each ancillary own funds item</li> <li>-The details of the risk limits and risk appetite in relation to business objectives</li> </ul> <p>FFSA suggests not including these qualitative information and the items of Annex D &amp; E in the SFCR. As they are be too sensitive or too detailed to be publicly disclosed, FFSA suggest including them only in the RTS. More globally speaking, FFSA suggest making a difference between the SFCR and the RTS.</p> <p>In any case, public disclosures seem to be as detailed as FFSA thought the RTS would be. This means that SFCR as defined is much too detailed to be useful for the expected public 'audience' and unduly burdensome.</p> <p>FFSA would like to emphasize the risk of repeating information for disclosure and reporting that are already done for others published documents (as Internal Control report for instance). To avoid unjustified works, instead of rewriting the SFCR entirely, it should be allowed to join to the SFCR others documents answering to Solvency II needs. More globally speaking, the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted on the current list and not additional to that list.</p> <p>FFSA does not agree with the requirement to provide information to allow a proper understanding of the main differences between the</p>	<p>Looked into sensitive information in SFCR.</p> <p>Noted</p> <p>CEIOPS deagrees. The information should follow the common structure of SFCR and RTS</p>

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			<p>internal model and the standard formula used to derive the SCR.</p> <p>The SFCR is part of the undertaking (Group)'s communication. This means both that (a) it should not be viewed as a mandatorily-separated report, but rather as either a segment of the financial statements or a list of information that may be provided in a disseminated way throughout the notes to financial statements and that (b) its disclosure frequency should be aligned to the frequency of the financial statements' disclosure.</p> <p>FFSA suggests confirming that the amount provided on a quarterly basis will be the last year-end SCR, except if there is any significant change.</p>	<p>From the Directive</p> <p>More difficult to find information in other palces. With the same structure for all in SFCR it would be easier</p> <p>CEIOPS disagree</p>
20.			Confidential comment deleted	<p>Noted</p> <p>Noted</p>
21.	German Insurance Association	General Comment	GDV appreciates CEIOPS' effort regarding the implementing measures and likes to comment on this consultation paper. In general, GDV supports the detailed comment of CEA. Nevertheless,	Noted

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	- Gesamtverb and der D		<p>the GDV highlights the most important issues for the German market based on CEIOPS' advice in the blue boxes.</p> <p>It should be noted that our comments might change as our work develops. Our views may evolve depending in particular, on other elements of the framework which are not yet fixed – e.g. specific issues that will be discussed not until the third wave is disclosed.</p> <p>The requirements are overly burdensome and detailed.</p> <p>The requirements in this consultation paper go beyond what is stipulated in the Level 1 text, particularly with regards to the Solvency and Financial Condition Report. Proportionality and materiality principles need to be expressed more precisely and applied rigorously applied with respect to all the aspects covered by this CP. The requirements for the Report to Supervisors, as outlined in the CP, are also exhaustive and we fear that they will constitute an unreasonable burden for both undertakings and supervisors. The advice in this CP is not line with the principles-based approach of Solvency II.</p> <p>We suggest to reduce the level of details in the formalised reports and that the level of details could instead increase in the event of an (on site or off site) investigation. Supervisors can ask for more information but it is not useful for undertakings to regularly provide information that may not be used by the supervisors or by other stakeholders. Regular reporting should not try to anticipate the potential need for ad hoc information and thereby become overblown and inefficient. It is also worth considering that verbal information can sometimes be more efficient for both the supervisor and the undertaking than written information. There</p>	<p>Noted</p> <p>Noted</p> <p>Clarified in the advice</p> <p>Noted</p>

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			<p>should be possibilities for this if the supervisor finds it more useful.</p> <p>The proposed advice could lead to higher administrative costs, which may have to be passed on to customers. To avoid unnecessary costs for undertakings the scope of data which has to be audited should be limited and build on current auditing for accounting purposes. In particular, detailed performance reporting based on a solvency valuation basis would differ significantly from accounting performance reporting and would be a burdensome additional reporting requirement. It is crucial that undertakings will not be required to produce an additional full annual report. Indeed, the result would be confusion and need for reconciliations without gaining the desired transparency.</p> <p>For cross border groups, in particular, the requirements will be overly burdensome because of the amount of detailed information required for undertakings and the group as well as different language requirements. (See also comment on 3.272-273 and 3.471.)</p> <p>The reporting required is not always appropriate for the target audience.</p> <p>Both the SFCR and the RTS should contain information that is appropriate to the target audience. There should be a clear distinction between the level of requirements for the SFCR and for the RTS. The needs of the target audience should drive different types of reporting. The demands for public disclosure in the SFCR are generally excessively detailed and far too extensive compared to what the target group would require. Much of the information requirements concerning more details on, for example, risk</p>	<p>Noted</p> <p>Partly changed to less language requirements</p> <p>Clarified in the advice</p>

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			<p>management (3.150 – 3.156) or approved internal models (3.243-3.262) is not understandable even for highly informed readers – unless they are professionals within the industry itself. Since the target audience of the SFCR differs from the RTS and includes, among others, policyholders, the public disclosure should be limited to more high level information excluding too much technical information and other detailed low level information from such disclosure. Otherwise this is likely to give rise to confidentiality concerns (and will, from the perspective of the policyholder, likely not help in forming a good understanding of the overall risk exposures of the undertakings). See also comments on 3.76. The RTS as well contains too much information and we question whether the supervisory authorities will make use of it all.</p> <p>It is important to have standardised reporting for quantitative supervisory reporting.</p> <p>From a practical point of view we would like to stress the importance of standardized reporting standards across Europe (such as XBLR or ACORD) to apply to the quantitative supervisory reporting. This harmonised solution needs to be available as soon as possible, as undertakings will need time to implement relevant systems. However, the proposed templates (xls sheets) in Annex D exceed the information that is necessary to adequately perform an insurance undertaking's solvency and financial condition assessment. They include information that is highly sensitive in that they are relevant for competition and at the same time they should not be important for the assessment of risks. It is particularly important that reinsurers should not be required to provide the same amount of information details as direct insurers.</p> <p>Duplication of reporting between the SFCR and the RTS should be</p>	<p>Looked into sensitive information in SFCR</p> <p>Noted</p> <p>Under discussion in IT-Task force</p> <p>Consultation in 2010</p> <p>To be clarified in Level 3</p>

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			<p>minimised.</p> <p>There are still overlaps of information to be submitted within different parts of the reporting framework. This should be looked at to avoid unnecessary duplication of efforts.</p> <p>For example:</p> <p><input type="checkbox"/> If a (re)insurer wants to apply for an internal model, do they need to send in two sets of SFCR and RTS during the parallel reporting period or should they report the required information twice in the same SFCR and RTS (once for the standard model calculations and once for the internal model calculations)? The section on performance from underwriting activities (3.98) is one example out of many where it would be necessary since the undertakings' underwriting performance should be reported per material LoB. How will this be done if there are two sets of LoBs, one standard model set required by CEIOPS and one internal set of LoBs?</p> <p><input type="checkbox"/> The SFCR has to be a stand-alone document since the public does not have access to the RTS. But CEIOPS mentions specifically that also the RTS is a stand-alone document that the supervisor should be able to read and understand without following references to any other document. Yet all elements set out in the SFCR shall be included (3.282). This will trigger an additional workload in the undertakings as they will be forced to duplicate several pieces of information into the two different reports. It is far less efficient if undertakings have to give the same piece of information twice in different contexts – with all the double checking of consistencies between the two, than if supervisor looks for information in two</p>	<p>More difficult to find information in other places. With the same structure for all in SFCR it would be easier</p> <p>Internal model</p> <p>More difficult to find information in other places. With the same structure for all in SFCR it would be easier.</p>

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			<p>reports rather than one.</p> <p>Duplication of reporting between other reports and the SFCR and the RTS should be minimised.</p> <p>There will be an obvious overlap of the information already required to be publicly disclosed by accounting rules. We believe that a better and more flexible approach would be to use the accounting requirements (as long as they also fulfil Solvency II requirements) as a starting point and make it possible to publish the SFCR as an extended part of the annual report - possibly as an annex to the annual report with a reference in the management's review. There seems to be no hindrances for this in the wording of the directive.</p> <p>In our opinion if the annual public disclosure is included in the financial statements multiple objectives are achieved, amongst others:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Economic measures which are used for accounting (see CP 35) are aligned and automatically reconciled. Furthermore these numbers are also audited;</li> <li><input type="checkbox"/> Risk management disclosures and risk sensitivities (IFRS 4, IFRS 7 and IAS 1) are similar for accounting disclosures and solvency. Ensuring the perspective of the stakeholders that policies are aligned and based on similar risk exposures;</li> <li><input type="checkbox"/> Any differences between solvency and accounting are easy reconciled because all information is included in one document;</li> <li><input type="checkbox"/> Alignment will limit the administrative burdens for insurers by requiring only one document to be submitted;</li> </ul>	<p>Difficult for the supervisory to find information in other places.</p> <p>Noted</p>

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			<p><input type="checkbox"/> From the perspective of the policyholder and other stakeholders the confidence in the presented disclosures will be enhanced while both systems (accounting and solvency) are more aligned and interconnected.</p> <p>Duplication between solo and group levels should be minimised.</p> <p>The interaction of group and solo reporting has to be clarified. Double reporting on group and solo level should be avoided. For Groups, the proposed structure of the annual SFCR is for a single group report, with annexes provided for each EU supervised subsidiary undertaking. It would make sense to structure the RTS in the same way. In addition, in relation to groups it is unclear to us from the CP how non-EEA subsidiaries should be treated in group SFCR/RTS.</p> <p>The requirements ask for reporting of information that is too sensitive.</p> <p>Some the requirements in the SFCR and/or the RTS ask for reporting of sensitive information. We objected to the detailed public disclosure requirements on ancillary own funds already in CP 29. We propose that the following should only be reported in the RTS and not in the SFCR:</p> <p><input type="checkbox"/> Information about the fitness and propriety principles</p> <p><input type="checkbox"/> The outsourcing policy</p> <p><input type="checkbox"/> The name of the counterparty for each ancillary own funds item</p> <p><input type="checkbox"/> The details of the risk limits and risk appetite in relation to</p>	<p>Possible to use the single group-wide SFCR</p> <p>Clarified in the advice</p> <p>Looked into sensitive information in SFCR</p>



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			<p>business objectives</p> <p><input type="checkbox"/> Detailed information on internal models</p> <p>In addition, monoline insurers have expressed particular concern that the level of information requested in the SFCR could result in commercially sensitive information about their businesses being made available publicly.</p> <p>Reporting requirements for reinsurance undertakings should also take account of the special characteristics of reinsurance business, in particular the fact that the policyholders are themselves insurance or reinsurance undertakings (see Recital 14d of the Framework Directive). Availability of data and its detailedness might differ in direct insurers and reinsurers. The reporting requirements have to reflect the proportionality principle, especially the nature of the reinsurance business.</p> <p>Links and references to other documents should be permitted.</p> <p>It is very burdensome to have to repeat in the SFCR and in the RTS information that is already contained in other published documents. We therefore strongly support allowing hyperlinks and references to other documents.</p> <p>Other consultation papers should not result in additional or conflicting requirements..</p> <p>CEIOPS has put additional reporting requirements in other CPs. These proposals should not conflict with CP 58. Our position in respect to these additional reporting requirements in the context of other CPs have to be considered by CEIOPS. For example we rejected CEIOPS's proposals as regard public disclosure on ancillary own funds in CP 29 and would like to reiterate our position here. In</p>	<p>Noted</p> <p>Proportionality should apply</p> <p>CEIOPS disagree</p> <p>Noted</p> <p>Noted</p>

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			<p>addition, we are opposed to the new proposals in CP 59 on public disclosure of remuneration policies (see CP 58, e. g. 3.62).</p> <p>Structure of paper could be improved</p> <p>We experienced difficulties in assessing the suggestions by CEIOPS. This might result from the structure of the paper which could be clearer in our view. It would be desirable to distinguish clearly between public disclosure and supervisory reporting and between solo and group requirements.</p>	<p>Noted</p> <p>Advice clarified</p>
22.	GROUPAMA	General Comment	<p>Groupama would like to emphasize the risk that the procedure for disclosure and reporting that has been requested is burdensome and has already been performed for other published documents (such as the Internal Control report, for instance). To avoid unjustified work, instead of rewriting the SFCR entirely, it should be allowed to attach to the SFCR other documents that meet the Solvency II requirements.</p> <p>Furthermore, we would like to emphasize that some information should not be disclosed:</p> <ul style="list-style-type: none"> <li>- strategic policies, such as the policyholder's remuneration policies, for instance</li> <li>- technical information, which could lead to misunderstandings by investors who are not technical insurance experts.</li> </ul>	<p>CEIOPS disagree</p> <p>CEIOPS disagree</p>
23.	Groupe Consultatif	General Comment	Overall, the information requirements (RTS and SFCR) are going to be more burdensome than the current ones, which seems to go	Difficult for the supervisory to find information in other places

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			<p>against the principle of Solvency II of not over burdening companies with too much administrative work. Also, there are duplications between information to be submitted for RTS and SFCR. The information submitted to RTS and SFCR should be separate documents but they should be complimentary and not duplication. It should be possible to make reference to other public disclosures under IFRS.</p> <p>It is not clear how such an onerous reporting process can be established effectively and how the intended recipients of the reporting would be able to use it for their benefit of understanding the financial and solvency position as well as related risks of an entity.</p> <p>In general this advice follows a "total disclosure" principle asking for all detailed components which in the end would allow the reader to develop his own bottom-up view of the financial and solvency position. In practice, given the complexity and organizational implications that would be impossible. The reporting will be more relevant if it were to follow an assessment principle documenting that quantitative and qualitative analysis was done following high professional standards and how that is governed. While key results are relevant and should be reported the amount of steps in between should be limited and strongly reduced. Otherwise the desired transparency might suffer from the pure amount of information disclosed.</p> <p>There are many comments in the CP stating that undertakings belonging to a group shall indicate if the reported procedures are followed at the group level. In general that could be unknown to the solo entity and it is rather the question what a group would report instead given its different business objectives. That largely depends on consolidation procedures and how relevant individual solo aspects are for a group. In addition a group might be required to explain how it identifies and deals with items immaterial at a</p>	<p>Clarified in advice</p> <p>Noted</p> <p>Both reporting on solo and group</p>

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			<p>solo level but potentially aggregating to a material item for the group if there are many of them.</p> <p>Additional reporting to compare an internal model with the standard formula appears to be against the idea of an internal model being the most relevant for an entity.</p> <p>We doubt that the requirements given in CP 58 are necessary in such a detail for the purposes of supervision. These requirements would flood the supervisors with tons of information whereas a structured cascade of information would be more advisable. In-time supervision would work much more efficient if only a smaller set of sensible data and information were to provide at short notice with the option to require more if indicated therein. This holds as well for the RTS and for the quantitative reporting templates.</p> <p>We strongly support the statement that the costs and benefits of the proposals are assessed to influence the policy development. We suggest to shape requirements of CP 58 to a reasonable level where supervisors and undertakings can act sufficiently. The assessment of costs and benefits needs to be done early enough so that the undertakings get prepared for the final Solvency regime with reasonable efforts and avoid unnecessary administrative burden.</p> <p>We suggest that there clearly is a need for industry and CEIOPS to initiate a joint project in this area, including seeking input from a wide range of stakeholders. Groupe Consultatif will be happy to contribute to such a development. This should embrace consideration of the treatment of non-EEA subsidiaries conforming to local disclosure requirements.</p>	<p>In the directive</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
24.	Institut des actuaires	General Comment	Care should be taken that meeting the disclosure requirements in the SFCR does not lead to disclose confidential information (which	CEIOPS has looked in to the sensitive information in the SFCR

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	(France)		could be the case if information has to be given at a too detailed level).	
25.	INTERNATIONAL GROUP OF P&I CLUBS	General Comment	The CP makes little allowance for the Directive's principle of proportionality. The requirements of the CP are comprehensive and some of them will be particularly onerous for smaller entities, such as a smaller mutual with a limited membership.	Proportionality should apply to both SFCR and RTS. More clarified in the advice
26.	International Underwriting Association of London	General Comment	We believe that duplication between the Report to Supervisors (RTS), and the Solvency and Financial Condition Report (SFCR) should be minimised where possible.	CEIOPS disagree
27.	Ireland's Solvency 2 Group, excluding representa	General Comment	The reporting requirements in this CP seem disproportionate for small and medium sized insurance undertakings. We would welcome some simplifications and reductions in the reporting burden for those companies in line with the general Solvency II principles of proportionality	Proportionality should apply to both SFCR and RTS. More clarified in the advice
28.	Just Retirement Limited	0	<p>There should be a "no duplication" rule - more attention should be paid to other reporting requirements in place (i.e. IFRS and local GAAP reporting), in order to minimise duplication of reported information.</p> <p>The benchmark for setting qualitative and quantitative disclosure requirements should be based on minimum requirements – however these requirements are based on best practice considerations – resulting in 'gold plating' of the requirements.</p> <p>The amount of information required to be reported, both publicly and to supervisors, has, in some instances, increased considerably from previous CEIOPS publications. We are generally concerned that more and more information will required to be reported by firms and this is being driven by regulatory rather than business demands. Companies should not be overburdened with regulatory demands for information - too much information will lead to</p>	<p>CEIOPS disagree</p> <p>Noted</p> <p>Noted</p>

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			<p>confusion of readers and making an assessment or a comparison of the information given quite difficult. The proposed increase in reporting requirements appears to conflict with the European Commission's "Action Programme for Reducing Administrative Burdens in the European Union" (COM (2007)23), which states that administrative burdens on firms should be reduced by 25% by 2012.</p> <p>The costs imposed by information obligations are to be measured and it is critical that any unnecessary requirements should be suppressed if considered as not necessary or too burdensome.</p> <p>No reporting should be required if the information is not going to be analysed by the supervisors. All information should have a clear use when sent to the supervisor and/or disclosed and any changes to the requirements should be subject to appropriate cost-benefit analysis.</p> <p>Supervisors should always state the reasons for asking for additional information outside the scope of the normal procedures (SFCR, RTS.) for information requirements</p> <p>Although this CP is strong on supporting proportionality there appears too little evidence of how this will apply in practice. Further guidance is necessary at both Level 2 and 3.</p>	<p>See rewritten impact assessment in advice</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
29.	KPMG ELLP	0	<p>(a) Information regarding a (re)insurance undertaking's or insurance group's solvency and financial condition will be available from various sources, including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Annual published statutory accounts – public domain;</li> <li><input type="checkbox"/> Solvency and Financial Condition Report (SFCR) – public domain;</li> <li><input type="checkbox"/> Other published information – public domain;</li> <li><input type="checkbox"/> Report to Supervisor (RTS) – private information to the</li> </ul>	Noted

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			<p>supervisory authorities;</p> <p><input type="checkbox"/> Quantitative reporting templates (QRT) – part public, part private information;</p> <p><input type="checkbox"/> Supervisory reporting requirements on the occurrence of predefined events – private information to the supervisory authorities;</p> <p><input type="checkbox"/> Additional information requested by supervisor – private information to supervisor</p> <p>The current proposals made by CEIOPS require that the SFCR and RTS must be 'stand-alone' documents and are not permitted to refer to information contained in any other document.</p> <p>While we can see the benefits of stand-alone documents, given the alignment of a number of the disclosure requirements with IFRS disclosure requirements, we believe this could result in significant duplication of information. This could also require significant reconciliation requirements and re-presentation of information as the ability to use equivalent disclosures may be reduced by this approach. For example, the mandatory format and requirements of the SFCR and RTS differ in the depth of disclosure required, and although some reporting requirements are aligned with IFRS, the basis of reporting will be different. Allowing cross references between documents would reduce the potential for inconsistency and reduce the cost burden. As such, we would welcome further consideration of these proposals.</p> <p>In this regard, we note that some of the reporting requirements proposed are very prescriptive and could lead to long disclosures. Others run the risk of 'boiler plate' disclosures, with the consequential risk that they are not fully reconsidered each year, with the prior year disclosure carried forward. The value of a stand-alone SFCR needs to be weighed against the cost involved in producing it. There is a danger that voluminous disclosures could</p>	<p>Noted</p> <p>Noted</p> <p>Difficult for the supervisory to find information in other places</p> <p>Noted</p>

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			<p>be mis-understood by users and so not aid transparency.</p> <p>(b) Further, we would note that the preparation of the SFCR and RTS will represent an additional cost burden for (re)insurance undertakings in those countries that have currently no plans to introduce IFRS for insurers and where local GAAP is less demanding in terms of disclosures.</p> <p>(c) Given the proposed mandatory format of the SFCR, RTS and QRT, it will be helpful to provide guidance on how the principle of proportionality is expected to be achieved.</p> <p>(d) We believe it would be very helpful if CEIOPS could provide its proposals on the extent to which comparative information will need to be provided, and adjustments to balances brought forward made, on first time implementation of Solvency II.</p> <p>(e) Risk disclosures – we believe more is required on actual performance and deficiencies mitigation.</p>	<p>Both IFRS and local Gaap will be used</p> <p>In Level 3</p> <p>No comparative information needed</p> <p>Advice clarified</p>
30.	Legal & General Group	0	<p>Reporting requirements in terms of detail, granularity and regularity should be driven by the relevance of the information and the level of cost (as this will ultimately be borne by policyholders)</p> <p>The prime aim is to meet the regulatory requirements and should aim to provide essential information. If a regulator requires more detail then they are always in a position to ask for it.</p> <p>The Solvency and Financial Condition Report as new requirement needs careful consideration to deliver the information in a way that is comprehensible to the needs of all potential external users. It should be a short document focussing on the "risk management and risk profile" of the firm together with supplementary information on solvency (depending upon what is disclosed in the report and accounts). It should also align with Basel II and be proportionate for both large and small firms.</p>	<p>Noted</p> <p>Noted</p> <p>Proportionality to SFCR and is more clarified in advice</p> <p>CEIOPS disagree</p>





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			It is essential that level 2 implementation measures on supervisory reporting and disclosure strike the right balance on volume and timescales, to ensure that what is provided to supervisors is the most meaningful and best quality information, of most use for this purpose. As drafted, these proposals do not do this.	Noted
32.	Lucida plc	0	<p>Lucida is a specialist UK insurance company focused on annuity and longevity risk business. We currently insure annuitants in the UK and the Republic of Ireland (the latter through reinsurance).</p> <p>We agree that improved public disclosure may improve market confidence. In addition, we currently operate under the principle of openness with the regulator and believe that this helps them to provide us with guidance and improved supervision. However, we are concerned that the proposed requirements for the SFCR in this consultation paper are too detailed and will constitute an unreasonable burden on the industry. We are also concerned that in some areas the detail required is excessive and market sensitive (particularly for a small mono-line insurer).</p> <p>It is important that every effort is made to ensure consistency with financial reporting standards in order that the burden of compliance with the various disclosure requirements is minimised. Duplication should also be avoided where possible. We believe that the approach to the development of the requirements may not have taken into account the inter-relationship of regulator's requirements for information compared with other shareholders. More importantly, the purpose of the disclosure should be to provide improved transparency. This we believe would be achieved by giving selective disclosure requirements around capital requirements, assets, liabilities, key risks and sensitivity. Any attempt to require information in too much detail will only serve to distract the user by including substantial qualitative disclosures which will not be helpful in analysing the company. The UK</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p>

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			experience of FSA returns has some advantages on providing standardised information. Disclosures in financial reports tend to include "boilerplate" information on risk and governance system which may detract from the key issues of capital adequacy and sensitivities to stressed scenarios. We believe CEIOPs should consider the entire approach to disclosure by considering that is the minimum information required to give a reliable view of the company's risk profile and financial strength. It seems to us that on a number of topics like internal audit, outsourcing etc, the regulators may need to ask the searching questions of companies instead of reviewing public disclosures. We would stress that the lessons from the banking crisis suggest that it would be more effective for challenge to come from the supervisors rather than expecting "market discipline" to work in areas such as internal audit and outsourcing.	
33.	Munich RE	0	<p>We fully support all of the GDV statements and would like to add the following points:</p> <p>Proposed reporting requirements are onerous, will cause high costs and will lead to a lack of transparency</p> <p>MR is concerned about the overall volume (both scope and granularity) of reporting proposed.</p> <p>The benefit and necessity of any additional information has to be weighed against cost, and an excess of information will actually lead to opacity.</p> <p>Furthermore, information available in annual financial reporting should be taken as a reference to keep additional reporting requirements at an appropriate level and to prevent duplication.</p> <p>Maximum use should be made of existing financial reporting</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Difficult for readers to compare and find information from different places</p> <p>Noted</p>

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		<p>disclosures</p> <p>We acknowledge that the solvency and financial condition report has to contain the information listed in Article 50(1).</p> <p>We agree with objective 3.21, the aim of which is to promote compatibility of valuation and reporting rules with the IASB's international accounting standards. In this context we think that the option to refer to publicly available information (Article 50 (1) as well as Article 52 (3)) has to be respected in the implementing measures.</p> <p>Financial statements prepared under IFRS already require extensive reporting on valuation and measurement, business performance and risk. At the same time an expansion of the IFRS reporting requirements is currently being discussed. The users of financial statements include current and potential investors, employees, lenders, suppliers and other trade creditors, customers, governments and their agencies, and the public. The objective of financial statements is to provide information that is useful to a wide range of users in making financial decisions.</p> <p>In our opinion, the information published in financial statements already goes beyond what a "normal" policyholder will be able to process and analyse, and above all is capable of understanding. Any expansion of reporting requirements adds to complexity, possibly inhibiting users' ability to extract valuable information on the financial situation of a company. Only experts such as rating agencies and insurance companies will be able to derive marginal benefit from additional information on it. However the solvency and financial condition report should not be targeted at them.</p> <p>We therefore advocate that the comprehensive and publicly available financial statements be relied on.</p>	<p>Noted</p> <p>See comment to this made on this above</p> <p>Harmonisation is very important in the Solvency 2 regime</p> <p>Advice clarified</p> <p>See comment to this made on this above</p> <p>If this the public will never be able to compare information in</p>

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			<p>Reporting formats and view should be aligned with internal management views</p> <p>Existing financial reporting disclosures and management information should be exploited as far as possible. Some companies would not be able to provide all of the detailed information proposed.</p> <p>Note also that the IFRS have not prescribed strict disclosure formats to date so that companies can and do provide individual solutions. Harmonisation of disclosure formats would therefore result in high adoption costs. Further, it is not clear that they would be compatible with possible future IFRS disclosure format rules (e.g. the current IASB Project "Financial Statement Presentation").</p> <p>Performance reporting should be based on existing reporting frameworks – either management view or published financial statements as proposed in 3.98a as well as 3.306a</p> <p>Performance reporting should be based on existing reporting frameworks – either management's view or published financial statements in order to avoid confusion in terms of financial communication and to avoid undue costs.</p> <p>The reporting requirement of a P&amp;L as proposed by template C2 is mixing statutory and economic principles (discounted reserves, unwinding of discount). Unlike the economic balance sheet a detailed economic profit and loss account is not a key element of Solvency II and we do not see why it is necessary for supervisory purposes.</p> <p>Instead we suggest to provide a movement analysis focusing on certain areas of the economic balance sheet between two annual reporting periods to the supervisor in the RTS. This way main changes in available financial resources will be explained.</p>	<p>the reports</p> <p>Noted</p> <p>Harmonisation is very important in the Solvency 2 regime</p> <p>Difficult for readers to compare and find information</p> <p>See comment above</p> <p>For Level 3</p> <p>Noted</p>

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			<p>Timescale is too aggressive</p> <p>The proposed reporting timescale seems to be too aggressive.</p> <p>A "4 months after financial year-end" deadline for annual reporting may be feasible in the longer term. Given that Level 3 guidance will not be available until 2011, development of improved delivery processes before implementation of Solvency II will not be achievable and additional time will be required in the first few years.</p> <p>For quarterly reporting, a timescale of at least six to eight weeks should be allowed rather than three to four weeks. The amount of time of course depends on the extent to which approximations are allowed.</p> <p>There should be a clear distinction between solo and group requirements</p> <p>Duplication of reporting has to be avoided. Aggregation levels should be different (proportionality principle) – e. g. reporting each line of business in group reporting should not be required, but combining non-life, life and health business should be allowed. Timelines for groups have to be longer than for solo undertakings.</p> <p>Annex D – Quantitative reporting</p> <p>In our view, the proposed templates (xls sheets) exceed the information required to adequately perform an insurance undertaking's solvency and financial condition assessment. They include information that is highly sensitive in that it is relevant for competition and at the same time it should not be considered</p>	<p>Proposed the later suggestion and the advice suggest a transitional period of two years</p> <p>See above</p> <p>Clarified in the advice</p> <p>Difficult to find and review information in different places</p> <p>Noted</p> <p>To be clarified in Level 3</p>

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			<p>important for the assessment of risks.</p> <p>Finally, the reporting templates do not differentiate between primary and reinsurance business characteristics. Hence, due to the differences in managing their business, reinsurance undertakings will not be able to provide the same information as primary insurers.</p>	See above
34.	Pearl Group Limited	0	<p>The public reporting requirements appear overly detailed.</p> <p>While we accept that it is necessary for us to provide comprehensive reporting and disclosure both to supervisors and publicly. We are concerned that the proposed requirements for the SFCR in this consultation paper are too detailed, are likely to include competitively sensitive information, and will constitute an unreasonable burden on the industry.</p> <p>In the consultation CEIOPS accepts that proportionality and materiality principles should be applied with respect to all the aspects covered by this CP. However, it is not always clear that these principles are reflected in the advice.</p> <p>From our discussions at the ABI we understood that the intention was that the RTS and the SFCR should be a single document with the SFCR consisting of higher-level information and the RTS including also a more detailed level of information which it would be appropriate to give to supervisors. Given the close similarity between the format of the SFCR and that proposed for the RTS it seems that this remains the intention. However, the considerable level of detail called for in relation to the SFCR means that we are unclear about the extent to which the RTS will differ from the SFCR.</p>	<p>Noted</p> <p>Moved some sensitive information from SRCR to RTS.</p> <p>Looked into target audience and made it clearer in CP.</p> <p>Advice clarified</p> <p>Described in the advice</p>

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			<p>It would be helpful if CEIOPS provided further illustrations, with examples, of the different levels of detail required.</p> <p>Since the target audience of the SFCR differs from the RTS the public disclosure should be limited to more high level information leaving out, much of the technical information and other detailed low level information currently proposed. Too much detailed low-level information will likely give rise to confidentiality concerns (and will be confusing from the perspective of those policyholders who try and make use of it).</p> <p>We believe that the correct way forward is to reduce the amount (but not the scope) of the information in the SFCR while retaining the detail in the RTS.</p> <p>The target audience is not clear</p> <p>Both the SFCR and the RTS should contain information that is appropriate to the target audience.</p> <p>It is, however, unclear what the intended target audience is for the SFCR. The CP suggests that a wide range of stakeholders including policyholders will use it. Is this really the correct definition of the audience? It seems unlikely that one document could be pitched at the correct level to engage all of this target audience.</p> <p>The proposed disclosure requirements are such that SFCRs are only</p>	<p>More in Level 3</p> <p>Moved some sensitive information from SRCR to RTS</p> <p>Noted</p> <p>Clarified in the advice</p> <p>Clarified in the advice</p> <p>Clarified in the advice</p>



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			<p>likely to be of use to specialist commentators and analysts and are unlikely to be accessible to policyholders. We believe that the SFCR should be a higher-level document aimed at investors and advisors (we are sceptical whether any but the most knowledgeable policyholder would find even a higher level SFCR useful).</p> <p>Duplication of reporting between other reports and the SFCR and the RTS should be minimised.</p> <p>There will be an obvious overlap of the information required for supervisory purposes and what is required by accounting rules and other reporting requirements. We accept that there are differences between accounting and regulatory requirements but nevertheless believe that as far as possible the information in the SFCR and the RTS should be derived from the report and accounts (this would not just encompass accounting information but also the substantial amount of information on the business and corporate governance included in the annual report) and believe that a better and more flexible approach would be to use the accounting requirements (as long as they also fulfil the SII requirements) as a starting point and make it possible to publish the SFCR as an extended part of the annual report - possibly as an annex to the annual report with a reference in the management's review. There seems to be no hindrances for this in the wording of the directive.</p> <p>Duplication between solo and group levels should be minimised.</p> <p>The interaction of group and solo reporting has to be clarified. Double reporting on group and solo level should be avoided.</p> <p>The requirements ask for reporting of information that is too sensitive.</p>	<p>Difficult to find and review information in different places.</p> <p>SII requirements for the reporting in SFCR and RTS.</p> <p>Possible to use the single group-wide SFCR</p> <p>Clarified in the advice</p>

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			<p>Some the requirements in the SFCR ask for reporting of sensitive information which we believe should be limited to the RTS. A particular concern is the proposed disclosures in relation to internal models (other concerns are highlighted in our responses to particular paragraphs of the CP).</p> <p>Monoline insurers have expressed particular concern that the level of information requested in the SFCR could result in commercially sensitive information about their businesses being made available publicly.</p> <p>Links and references to other documents should be permitted.</p> <p>It is very burdensome to have to repeat in the SFCR and in the RTS information that is already contained in other published documents. We therefore strongly support allowing hyperlinks and references to other documents.</p>	<p>Moved some sensitive information from SRCR to RTS.</p> <p>Noted</p> <p>CEIOPS disagree</p> <p>Difficult to find and review information in different places</p>
35.	PricewaterhouseCoopers LLP	0	<p>We welcome opportunity to comment on this consultation paper, and take this opportunity to highlight the key points of our response:</p> <p><input type="checkbox"/> CP58 requires both the SFCR and RTS to be stand alone documents, with no information included by cross-reference. This may result in significant duplication in the RTS of information contained in the SFCR. In addition some of the prescribed information may be contained in other published sources (such as IFRS financial statements), and in the RTS there may be duplication</p>	<p>Noted</p> <p>Difficult to find and review information in different places</p>

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			<p>of information contained in item B.4 (ORSA) with information in other sub-items, particularly around risk management. We therefore believe consideration should be given to allowing inclusion of information in the SFCR by cross reference to other publically available documents, and in the RTS by cross reference to other documents available to the supervisor, including the SFCR. Whilst we recognise that undertakings are likely to prepare information on a common basis inclusion by cross reference may avoid duplication of effort and avoid documents becoming unnecessarily voluminous.</p> <p><input type="checkbox"/> The principle of proportionality is considered to be included by nature in the proposals for qualitative reporting set out in the consultation paper, since more complex undertakings will naturally make more complex disclosures and undertakings will not be required to fulfil disclosure requirements not applicable to them. However, this principle may be very difficult to apply in practice. Qualitative disclosure requirements may be highly onerous for less complex undertakings, especially given that disclosures are made in a prescribed format (and it may be impossible to argue that any element of the format is genuinely not applicable). CEIOPS may wish to consider providing a framework to guide management in applying the principle of proportionality in practice, although this should not be prescriptive to ensure that management are able to exercise appropriate judgement in the application of this principle. However, a framework may help to ensure that smaller and simpler entities are not overburdened by disclosure requirements. For example, permitting the amalgamation of standard headings within the SFCR/RTS when it is appropriate to do so, and not reporting quantitative information in respect of immaterial items / lines of business, may be appropriate applications of proportionality. Proportionality is also an important consideration in defining the frequency of reporting of the RTS and in determining the level of controls required over reporting.</p>	More will come on this in Level 3

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			<p><input type="checkbox"/> Requirements for quantitative reporting set out in the Consultation Paper are provisional and therefore subject to change. The industry will need the opportunity to comment on final proposals in these areas in order for fully consulted on guidance to be developed.</p> <p><input type="checkbox"/> We understand that the provision of quarterly reporting may be of benefit to the supervisory process. However, reporting on a quarterly basis will represent an increase in frequency and workload for undertakings in some territories. The content and timing of quarterly reporting should therefore be assessed, considering experiences of Basel II, to ensure that it is proportionate and justified by the benefit it will provide to the supervisory process.</p> <p><input type="checkbox"/> The Consultation Paper makes no provision for transitional arrangements for quantitative reporting templates where data stretching back over more than one year is required (for example claims development). This information may be very difficult to provide, and it may be proportionate to exempt undertakings from providing comparative information, or to allow it to be provided on a "best endeavours" basis (without requirement for audit).</p> <p><input type="checkbox"/> We welcome the proposal for a proportionate approach to the audit of the qualitative and quantitative information that will require certain information only to be subject to audit. We believe external assurance is a valuable tool to give supervisors and other users confidence over the reported data. However, the level of assurance and form of report to be provided has yet to be determined and it is vital that stakeholders should be given an opportunity to comment on the final proposals. Careful consideration should be given to ensure that the information designated for audit is "auditable" and that the costs of audit requirements are proportionate to the benefits provided.</p>	<p>Consultation in 2010</p> <p>CEIOPS disagree</p> <p>More will come on this in Level 3</p> <p>Noted</p>

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			<p><input type="checkbox"/> We note that the area of external assurance over the internal model is identified as an area for further consideration. Supervisors may require some assurance over the inputs to, application of, and results from the internal model as part of the annual reporting process although they may well have gained significant assurance over the model design as part of the model approval process. We recommend that CEIOPS consults with providers of assurance services to develop guidance for supervisors in this area. Audit requirements will also be determined by national audit regulations and we recommend that CEIOPS engages with relevant national authorities in this respect.</p> <p><input type="checkbox"/> Further clarity will be required on reporting and audit requirements for groups. In particular, no detailed guidance has been provided on group quantitative reporting templates, requirements for a group RTS or audit scope. An opportunity must be provided for the industry to comment on the detailed proposals as these are developed.</p> <p><input type="checkbox"/> The external experts from whom supervisors can directly request information should be clearly defined as those performing specific functions set out in law and regulation. As set out in the Directive the supervisor should be able to request information from those specified external experts. However, the supervisor should not be able to mandate that the external expert performs additional work or produces additional reports over and above the work agreed under the expert's engagement with the insurer. However, the external expert may agree to perform additional work as part of a separate engagement.</p>	<p>Noted</p> <p>Clarified in advice More will come on quantitative templates in Level 3</p> <p>Clarified in the advice</p>
36.	ROAM (Réunion des Organismes)	0	<p>From a general point of view, ROAM approves the principles of transparency and communication towards supervisory authorities and public.</p> <p>Regarding the implementation of these principles, ROAM wishes to</p>	Noted

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	d'Assurance Mutue		<p>draw CEIOPS attention on several points :</p> <p>1) The requirements of this consultation paper are burdensome and too much detailed. They go beyond what is stipulated in the level text 1, especially regarding the SFCR (about underwriting activities' performance or about investment activities for instance). To ROAM members, this CEIOPS advice could increase administrative costs which would be passed on to our members in the end.</p> <p>2) The principle of proportionality should apply not only according to the scale, nature and complexity of the risks insured but also according to the size of the undertaking (business portfolio and number of staff).</p> <p>3) The communication about accounting, financial, technical, governance, etc information must be adapted to the audience :</p> <p>a. Communication to supervisory authorities: according to ROAM, it is normal to communicate all information requested by supervisory authorities, subject to the confidentiality of exchanges and within the limits of the supervisor missions: control.</p> <p>b. Public communication from the undertaking: according to ROAM, this kind of reporting has to be subjected to conditions because it would be counterproductive to communicate the "trade secrets" to competitors for instance, as it would be counterproductive to flood our members with a multitude of figures and complex processes (example: ORSA).</p> <p>c. Public communication from supervisory: according to ROAM, this kind of reporting has to be subject to conditions like data anonymity, the certainty to not harm the undertaking particularly when active in special markets (niche activities), etc.</p>	<p>Noted</p> <p>More on this in Level 3</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Agree</p>
37.	St Erik Försäkrings	0	In St Erik Försäkrings AB opinion it is very important that the new reporting obligations according to Solvens II take into consideration	No exceptions for Captives. Proportionality should apply

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	AB Institutno: 22067 S-103 24		those insurance companies covering with insurances only within the group. The purpose of our company is to achieve improved control on our own risks and buy insurance by reinsurance undertakings achieve improved competition approaching other markets. If the administrative burden/cost due to Solvens II become too high for St Erik Försäkrings AB we may have to reconsider our way of purchasing insurance by captives.	
38.	UNESPA – Association of Spanish Insurers and Reins	0	<p>UNESPA (Association of Spanish Insurers and Reinsurers) appreciates the opportunity to analyze and comment on Consultation Paper 58 about Supervisory reporting and disclosure</p> <p>UNESPA is the representative body of more than 250 private insurers and reinsurers that stand for approximately the 96% of Spanish insurance market. Spanish Insurers and reinsurers generate premium income of more than € 55 bn, directly employ 60.000 people and invest more than € 400 bn in the economy.</p> <p>The comments expressed in this response represent the UNESPA´s views at this stage of the project. As our develops, these views may evolve depending in particular, on other elements of the framework which are not yet fixed.</p> <p>The list of qualitative and quantitative requirements is very exhaustive, and the efforts and resources to be allocated by all undertakings in order to comply with these requirements substantially exceed the current reporting requirements. Which goes against the principle included in the Solvency II Directive, that the requirements would not comprise excessive additional efforts for the undertakings. Moreover, a cost-benefit analysis of the information required, may focus in a better way the information to include and the frequency to report.</p> <p>The current reporting scheme could lead to duplications in the reported information to comply with Solvency II Directive; such</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Current reporting will be replaced by Solvency 2.</p>

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			<p>duplications are related with the information already reported to the local supervisor, at group and at the undertaking level, in the RTS and in the SFCR, and in other reporting requirements such as ORSA.</p> <p>The proportionality principle should apply in key areas within the reporting system (f.e, the organization structure, functions segregation, governance processes, and issues related to risk control, etc.).</p> <p>The disclosure of information that could lead to a competitive disadvantage against other undertakings in the insurance sector, should be included in the RTS and not in the SFCR, basically because represents each undertaking commercial interests, and its scope of confidentiality (e.g. market information, organizational structure, design of internal models and related methodologies, etc.).</p> <p>To promote reporting system comparisons, it would be necessary to define key aspects such as, risks categories, risks included in "other risks", forecast relevant variables to focus and the number years to assess, among others, in order to avoid Banks industry experienced problems.</p> <p>The term "material change" can be a very ambiguous concept for the insurers, which leads to subjectivity, leading banks to report information on excess or a deficiency in reported content.</p> <p>The future estimations should focus only in capital forecasts based on the undertakings assumptions, made on some specific variables, without going into detail on other aspects (e.g. market trends, revenue and future risks, regulatory impacts, etc.)</p>	<p>More on this in Level 3.</p> <p>Moved some sensitive information from SRCR to RTS.</p> <p>Noted</p> <p>Noted</p> <p>Forward looking information is an important part of supervision in Solvency 2</p>
39.	uniqa	0	The reporting requirements are extensive and the principle of proportionality is not visible. Certain minimum levels, depending on	Clarified in the advice



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			<p>the size and complexity should be introduced.</p> <p>Reduction of complexity and double work: The necessary qualitative reports should be structurally harmonized, this reduces double work.</p> <p>Key topic will be the standardized quantitative reporting. There MUST be a harmonized solution as soon as possible, because all companies need the time to implement the interfaces.</p> <p>The requirements should be clear ASAP.</p>	<p>Agree, difficult to find and review information in different places</p> <p>Agree</p> <p>Agree</p>
40.	XL Capital Ltd	0	<p>We appreciate it is CEIOPS intention to develop supervisory reporting and public disclosure requirements that facilitate convergence between Member states to the appropriate extend, however we feel that CP 58 creates a list of requirements without first considering what is already available in the public domain, and how the requirements specified in the CP interact with those disclosures.</p> <p>It is our opinion that there is a significant level of duplication required through the Report to Supervisors (RTS) and Solvency, the public Financial Condition Report (SFCR) and current financial reporting disclosures. However, since the information is required at a different level of detail and possibly at frequent intervals, it appears likely that this will be highly resource intensive to provide.</p> <p>We are also concerned about the potentially commercially sensitive nature of much the information requested.</p> <p>It is difficult to assess exactly what level of detail is expected in these reports. It would be helpful if CEIOPS published templates /</p>	<p>Noted</p> <p>Difficult to find and review information in different places</p> <p>Moved some sensitive information from SRCR to RTS.</p> <p>To be developed in Level 3</p>

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			proforma reports to provide a better idea of what is expected.	
41.				
42.	Danish Insurance Association	1.1.	It is very late in the process for CEIOPS to publish level 3 guidance towards the end of 2011. We suggest that CEIOPS prioritise so that some guidance is ready before then in order for the undertakings to be able to comply in time before the Solvency II-regime comes into force.	Consultation on the Level 3 guidance is expected later in 2010.
43.	PricewaterhouseCoopers LLP	1.1.	In many areas, and in particular in the areas of audit requirements and quantitative reporting templates, the advice in CP 58 is provisional. In order to provide the fully consulted advice requested by the European Commission, CEIOPS will need to consult further on these aspects of its advice. We note that the group quantitative reporting templates will be subject to consultation (paragraph 3.503) so these areas could be combined into this later consultation.	Noted
44.	Dexia	1.3.	We note that there is an important difference comparing to the banking industry, where conso reporting is the most relevant.	Noted
45.			Confidential comment deleted	Noted
46.	CRO Forum	2.1.	These additional regulatory reporting requirements will impose a significant cost burden on firms; the right balance is needed between Group and individual company reporting to avoid unnecessary burden.  The increase in scope of external expert reporting for supervisory purposes (as opposed to public disclosures) i.e. by auditors and actuaries will also potentially increase costs; an appropriate balance is needed here.	Noted
47.	ECIROA	2.1.	Captive insurance companies can provide relevant, reliable and comprehensible information to the supervisory authorities. The	Noted

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			extent of the information should reflect the nature, scale and relatively straightforward nature of their business, subject to the principle of proportionality.	
48.			Confidential comment deleted	
49.	CRO Forum	2.2.	The requirement is in respect of regulated entities but seems to apply regardless of whether a company is part of a larger Group or not.	Noted
50.	ECIROA	2.2.	The majority of captives are insuring only the risks of their parent company and therefore should be exempted from public disclosure. Full information is available to the parent company and supervisory authorities. Captives are not in competition with other captives nor with other insurers or reinsurers. However, if captive information is made publicly available, this will be detrimental to the parent company as it will be accessible by the competitors of the parent company.	Discussed on meeting. No exceptions for Captives. Proportionality should apply
51.	KPMG ELLP	2.2.	Article 50 of the Level 1 text allows the SFCR to contain the required information either in full or by way of reference to equivalent information disclosed publicly. We believe that (re)insurance undertakings and insurance groups should be free to adopt either approach, but note that CEIOPS recommends that the SFCR should be a stand alone document. See also comments in 3.28, 3.34, 3.74 and 3.288.	Noted
52.	Lucida plc	2.2.	We agree that any capital add on need not be disclosed during a transitional period of 5 years because it could be considered to be market sensitive data. This also allows time for insurers to adjust to the new regime.	Noted
53.	XL Capital Ltd	2.2.	Article 50 (Report on Solvency and Financial Condition: Contents:) "Member Stats shall... require insurance and reinsurance undertakings [individual entity] to publicly disclose, on an annual basis, a report on their solvency and financial condition.	Noted

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			<p>The report shall contain the following information, either in full or by way of references to equivalent information, both in nature and scope, disclosed publicly under other legal or regulatory requirements: (a)...</p> <p>This implies that an entity can cross reference to information already disclosed, which seems to contradict paragraph 3.64 which specifies that the SFCR cannot contain hyperlinks and cross reference with other information already available in the public domain.</p>	
54.			Confidential comment deleted	Will be the same view in EU when decided.
55.	CRO Forum	2.3.	While principles for non-disclosure have been set, it is not clear how they will apply in practice, particularly where different regulators have different views of what information is sensitive and inappropriate for public disclosure.	See comment 54
56.	DIMA (Dublin International Insurance & Management	2.3.	Captive obligations are to shareholder and policyholder, i.e. its own parent, so it is not necessary to provide much information beyond the quantitative returns. There could be competitive reasons why captive owners may wish to ensure that certain information is not disclosed to their competitors.	Discussed on meeting. No exceptions for Captives. Proportionality should apply
57.	ECIROA	2.3.	Captives hold information which is confidential. Where a captive is insuring only the risks of its parent company, disclosure of the risks underwritten will provide a clear picture of the parent company's insurance programme. Similarly, the captive may create loss reserves for outstanding claims which can be easily identified. It would be detrimental to their business if this information is publicly available e.g. it would have an impact upon the settlement negotiations between the parent company and the claimant. Captives should be exempted from public disclosure of this	Discussed on meeting. No exceptions for Captives. Proportionality should apply. Moved some sensitive information from SFCR to RTS

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			information.	
58.			Confidential comment deleted	Noted
59.	CRO Forum	2.4.	<p>Compliance with the SCR provides evidence that a company is able to meet its target regulatory capital. While it seems appropriate to publicly disclose this information at the year end, public disclosure during the year should be a matter of good market practice rather than a regulatory requirement. Public reporting of such information at the regulated entity level also seems excessive.</p> <p>It appears appropriate to require regulated entities to be able meet their MCR at all times. Any breach should be reported to the regulator. However, reporting to the market should be a matter of good market practice rather than regulatory requirement particularly in cases of regulated entities that are part of larger Groups.</p> <p>The proposal appears reasonable for Groups, but in case of regulated entities that are part of larger Groups, we believe this requirement should not necessarily apply if the Group has sufficient fungible capital.</p>	Noted
60.	DIMA (Dublin International Insurance & Management	2.4.	Will this mean the setting of a type of strategic solvency target by the undertaking similar to that for reinsurers? Any breaches of that will require more frequent reporting to the regulators and recovery plan, etc.	

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61.			Confidential comment deleted	
62.	CRO Forum	2.7.	Frequency of supervisory review is not specified. While the role of the regulator here appears reasonable, ensuring an appropriate frequency for the review will be essential in making sure that this review is effective. The assumption is that this will be on an annual basis as covered in section 3.6.	See comment 61
63.			Confidential comment deleted	
64.			Confidential comment deleted	
65.	XL Capital Ltd	2.10.	<p>Article 260 (Group Solvency and Financial Condition Report)</p> <p>"Member States shall require insurance and reinsurance undertakings or insurance holding companies [group] to publicly disclose, on an annual basis, a report on their solvency and financial condition at the level of the group.</p> <p>This seems to imply that, provided it contains the right level of detail, Group disclosure is sufficient to cover subsidiaries, and that therefore no individual RTS or SFCR will be required at subsidiary level. Is this a correct interpretation?</p>	Yes! But only on single group-wide SFCR. Se 3.272 RTS
66.	XL Capital Ltd	2.11.	<p>Other relevant articles for the public disclosure of internal models are 118 – 122 and 124</p> <p>There doesn't seem to be any requirement in the Directive to publicly disclose internal models – so why is this stated here? Surely undertakings are not expected to publicaly disclose information about the statistical quality, calibration, validation standards of their internal models?</p>	Some information but not commercial sensitive.
67.			Confidential comment deleted	Noted

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68.	CEA, ECO-SLV- 09-453	3.1.	<p>If the word undertaking is used for groups and solo it is unclear how the group structure will be reflected in the disclosures.</p> <p>It is thus unclear how a duplication of information is avoided. In our opinion it should be made clear before each advice what is relevant for solo undertakings and how it is reflected in the group.</p>	Noted
69.	CRO Forum	3.1.	<p>It is appropriate that the reporting proposals for groups and for solo entities have been combined. This offers the opportunity to maximise reporting efficiencies for firms with an international group character. However, it should be defined whether all subsidiaries are relevant for the RTS and the SFCR e.g. materiality or location outside of Europe.</p> <p>The definition of Group is not clear in respect of the cases where the ultimate parent is a non-regulated entity. Reporting for Groups and for solo regulated entities should be combined to maximise efficiencies for larger Groups.</p> <p>Duplication between group and subsidiary reporting must be avoided by structuring the report documents appropriately.</p>	Noted
70.	European Insurance CFO Forum	3.1.	<p>Proposed combined reporting between group and solo entities should increase reporting efficiencies.</p> <p>The CFO Forum considers it appropriate that the reporting proposals for groups and for solo entities have been combined. This offers the opportunity to maximise reporting efficiencies for firms with an international group character. However it should be noted that it is not appropriate to require the same level of detail from groups as from solo entities. For example, the group reporting shall not include details on each line of business but should contain information at business class level, such as non-life, life and health care.</p>	Noted

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			<p>In addition, more time should be allowed to produce the group reporting compared to solo entity reporting.</p> <p>Moreover, the interaction of group and solo reporting has to be clarified. Double reporting on group and solo level should be avoided.</p> <p>Finally, solo related data should be limited to key information in one language only.</p> <p>Comments in 3.31 are also relevant here.</p>	
71.	German Insurance Association – Gesamtverb and der D	3.1.	<p>If the word undertaking is used for groups and solo it is unclear how the group structure will be reflected in the disclosures.</p> <p>It is thus unclear how a duplication of information is avoided. In our opinion it should be made clear before each advice what is relevant for solo undertakings and how it is reflected in the group.</p>	Noted
72.	Legal & General Group	3.1.	We support the combining of the group and solo reporting requirements.	Noted
73.	Munich RE	3.1.	<p>Proposed combined reporting between group and solo entities should increase reporting efficiency.</p> <p>Munich Re considers it appropriate that the reporting proposals for groups and for solo entities have been combined. This offers the opportunity to maximise reporting efficiency for companies with an international group character. However it should be noted that it does not make sense to require the same level of detail from groups as from solo entities - e. g. reporting each line of business in group reporting should not be required, but combining non-life, life and health business should be allowed. Also, timelines for</p>	Noted



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			groups have to be longer than for solo undertakings.  Finally the interaction of group and solo reporting has to be clarified. Double reporting on group and solo levels should be avoided.	
74.	PricewaterhouseCoopers LLP	3.1.	The scope of "Group" as defined does not align to the scope used for accounting purposes. We recommend that the scope is aligned with the accounting consolidation scope to ensure consistency and comparability between regulatory and accounting reported information, as is indicated is required by the level 1 directive.	Noted
75.	XL Capital Ltd	3.1.	See our comments on CP 60 on Group Solvency Assessment.	Noted
76.	ECIROA	3.2.	This paragraph makes it clear that the reporting requirements have to be designed in light of the principle of proportionality. Undertakings with more complicated risk profiles are likely to have more to report and disclose than companies with less complex risk profiles. We would like to emphasise that most captives have a relatively simple risk profile - making them eligible to less burdensome reporting and disclosure requirements.  ECIROA's position is to acknowledge the need to report to supervisors in general but to make it possible to national supervisors to adjust the reporting requirements.	Agreed.  In fact captives are a very good example of undertakings that will apply the proportionality principle. That follows CEIOPS Issues Paper on Proportionality (CEIOPS-DOC-24/08)  However, the reporting requirements should not be adjusted in the sense of "waived" by national supervisors in relation to captives in general. Principle of proportionality need to be applied in a case-by-case situation since it should reflect the nature, complexity and scale of the risks.
77.	FERMA (Federation of European	3.2.	This paragraph makes it clear that the reporting requirements have to be designed in light of the principle of proportionality. Undertakings with more complicated risk profiles are likely to have	See comment 76.

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	Risk Management Asso		<p>more to report and disclose that companies with less complex risk profiles. We would like to emphasise that most captives have a relatively simple risk profile - making them eligible to less burdensome reporting and disclosure requirements.</p> <p>FERMA's position is to acknowledge the need to report to supervisors in general but to make it possible to national supervisors to adjust the reporting requirements. This is perfectly legitimate and in line with the International Association of Insurance Supervisors (IAIS) Guidance Paper on the Regulation and Supervision of Captives stating that "in defining the scope and nature of the information to be provided, supervisors should take into account the captive's particular risk, size and the amount of third party and/or unrelated party exposure if any".</p>	
78.				
79.	Dexia	3.3.	<p>However, it is also very important that both reporting "go together". If too much difference arises between public and supervisory disclosure, there is a risk that supervisors will not have adequate information anymore. As a matter of fact, entities are managed based on their public annual accounts first, than based on supervisory info.</p>	<p>This is the reason why the structure of both reports is very similar. However, supervisors need more detailed information to feed the SRP.</p>
80.			Confidential comment deleted	
81.				
82.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.5.	<p>We agree with the quote from the CRO Forum paper on the "Insurance Risk Management Response to the Financial Crisis".</p> <p>The mentioned need for "prompt disclosure of relevant risk information" supports an approach which makes use of targetted ad hoc information in response to specific circumstances, rather than relying on excessively detailed regular reporting.</p>	Noted.

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83.			Confidential comment deleted	
84.	CEA, ECO-SLV- 09-453	3.5.	We agree with the quote from the CRO Forum paper on the "Insurance Risk Management Response to the Financial Crisis".  The mentioned need for "prompt disclosure of relevant risk information" supports an approach which makes use of targetted ad hoc information in response to specific circumstances, rather than relying on excessively detailed regular reporting.	Noted. However, regular reporting is crucial for a proper SRP.
85.	CRO Forum	3.5.	We note CEIOPS referral to the CRO Forum paper on the "Insurance Risk Management Response to the Financial Crisis". The mentioned need for "prompt disclosure of relevant risk information" supports an approach which makes use of targetted ad hoc information in response to specific circumstances, rather than relying on excessively detailed regular reporting.	See comment 84.
86.	Danish Insurance Association	3.5.	We agree with the quoted CRO-Forum statement that "Renewed market confidence requires accurate valuation and a prompt disclosure of relevant risk information".	See comment 84.
87.	ECIROA	3.5.	Article 3.53 makes it clear that the principle of proportionality applies to disclosure requirements. Therefore ECIROA is entitled to claim its full application to captives.	See comment 76.
88.	European Insurance CFO Forum	3.5.	"Prompt disclosure of relevant risk information" should reduce the reliance on excessively detailed regular reporting.  The CFO Forum view the need for "prompt disclosure of relevant risk information" as a requirement that supports an approach which makes use of targeted ad hoc information in response to specific circumstances, rather than relying on excessively detailed regular reporting.	See comment 84.
89.	FERMA	3.5.	Article 3.53 makes it clear that the principle of proportionality	See comment 76.

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	(Federation of European Risk Management Asso		applies to disclosure requirements. Therefore FERMA is entitled to claim its full application to captives. Again, the IAIS Guidelines acknowledge that supervisors would be legitimate not to apply the disclosure standards to captives in absence of public interest needs. The IAIS even suggests that disclosure could be detrimental in some instances to the captive and to its owner.	
90.	Legal & General Group	3.5.	Prompt disclosure whilst desirable could be constrained by stock exchange rules.	Noted.
91.	ECIROA	3.7.	3.77 allows for non disclosure of information to the public in specific cases. Confidentiality from a competitive standpoint of view should also be taken into consideration. The use of a captive vehicle in the structuring of the major insurance program of an undertaking can generate significant competitive advantages to the captive's mother company. Appreciating the validity of the supervisory authority's control and considering the likely absence of public interest needs, ECIROA's recommendation is to opt for confidentiality.	Confidentiality issues will be assessed in a case-by-case basis. Competition issues will be taken into account.
92.	FERMA (Federation of European Risk Management Asso	3.7.	3.77 allows for non disclosure of information to the public in specific cases. Confidentiality from a competitive standpoint of view should also be taken into consideration. The use of a captive vehicle in the structuring of the major insurance program of an undertaking can generate significant competitive advantages to the captive's mother company. Appreciating the validity of the supervisory authority's control and considering the likely absence of public interest needs, Ferma's recommendation is to opt for confidentiality (but for supervisors).	See comment 91.
93.	PricewaterhouseCoopers LLP	3.7.	Supervisors should have regard to the principle of proportionality in developing additional information requests from undertakings; in particular requirements for additional information from all insurers (for example in response to changes in market conditions) can be a significant burden. Where practicable it would be beneficial if	Noted. Principle of proportionality applies throughout Level 1 and 2 requirements. This was made clearer in the final Advice. Information requested by

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			supervisors consulted with stakeholders before making such requests.	supervisors will always be due to supervisory needs.
94.	PricewaterhouseCoopers LLP	3.10.	Paragraph 3.10 refers (at the fourth bullet) to items to be included in the RTS of group members which, it is assumed, will be reported to their local supervisors. CEIOPS should clarify the nature and extent of reporting that will be required in respect of the group to the group supervisor, as this is not covered in either CP58 or CP60. Is a full group RTS required (as indicated in paragraph 3.32) in addition to entity level RTSs? It is clear from paragraph 3.503 that group quantitative reporting is proposed but it is unclear what qualitative reporting to the group supervisor in respect of the group is proposed (although Article 258 (2) notes that Article 35 shall apply mutatis mutandis).	As per Article 254(2), the requirements for solo undertakings for RTS apply mutatis mutandis at a group level. The advice in CP58 will be suitably highlighted to reflect this. Precise additional information is also identified in the Advice.
95.	FERMA (Federation of European Risk Management Asso	3.11.	3.117 The proportionality principle should also apply to the ORSA required for captives, so that the ORSA process is not too heavy in proportion to the risk exposures.  3.118 the same applies to the internal controls and internal audits	Principle of proportionality applies throughout Level 1 and 2 requirements.
96.	PricewaterhouseCoopers LLP	3.11.	This paragraph details certain items not covered by this paper or by CP60. These items will be important for some and should be covered in future CEIOPS consultations.	Noted.
97.	XL Capital Ltd	3.11.	"This Paper does not cover the distinction between requirements on EEA subsidiaries and third-country subsidiaries, or specific information requirements on the non-insurance parts of a group as well as any adjustments to the accounting consolidated accounts."  When will the requirements between EEA and third-country subsidiaries be clarified?	CEIOPS will discuss these issues in future.
98.	CEA, ECO-SLV-	3.15.	Comments from the industry might have been carefully considered by Ceiops – as stated in 3.15. But recommendations from industry	CEIOPS has taken into account all comments received. However,

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	09-453		are scarcely reflected in the advices given - though industry arguments have been further countered. Ceiops should consider industry comments thoroughly – also the ones given to both Issues Paper “Supervisory Review process and Undertakings’ Reporting Requirements” (August 2008) and CEA inputs in the dialogue before the formal release of Draft CP 58.	some views are very different from CEIOPS ones and couldn’t be taken into account.  CEIOPS has done a huge effort to amend the final advice taking into account stakeholders concerns.  See final advice.
99.	Danish Insurance Association	3.15.	Comments from the industry might have been carefully considered by CEIOPS – as stated in 3.15. But recommendations from the industry is scarcely reflected in the advices given - though industry arguments have been further countered. CEIOPS should consider industry comments thoroughly – also the ones given to both Issues Paper “Supervisory Review process and Undertakings’ Reporting Requirements” (August 2008) and CEA inputs in the dialogue before the formal release of Draft CP 58.	See comment 98.
100.	FERMA (Federation of European Risk Management Asso	3.15.	3.150 In view of the results of QIS4, the number of Risk categories applicable to captives should be limited to Underwriting risks and Market risks. These two risks impact the SCR calculation at more than 95%.	Captives as other undertakings need to consider all risks they face.
101.	Munich RE	3.15.	It seems that major concerns about the industry have not been considered in this consultation paper.	See comment 98.
102.	ECIROA	3.17.	The majority of captives are small undertakings which do not employ any staff and outsource their administration to professional licensed captive managers. Disclosure requirements for captives should reflect their size and straightforward structure whilst ensuring that unnecessary administrative costs are avoided.	See comment 76.
103.	Pricewaterho	3.17.	It is stated that the reporting requirements are based on the	Quantitative templates, as stated,

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	useCoopers LLP		"information that supervisors would need to receive". Whilst section 3.4.3 articulates the reasons the supervisors need to receive each of the items identified for inclusion in the RTS there is no equivalent analysis in respect of each of the quantitative reporting templates. A clear articulation of supervisory data needs in respect of each of the proposed quantitative reporting templates would help respondents to identify where there may be more efficient or effective ways of meeting those needs.	are work in progress. CEIOPS will do the same analysis when discussing them.
104.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.18.	We strongly agree with the statement that "it is important that costs and benefits of the proposals for all parties are assessed to influence the policy development". This is should be taken into account much more clearly in this consultation paper, as excessive burden is placed on the industry.	Noted.
105.	ACORD	3.18.	We agree that a cost / benefits approach is key – starting small but with realistic and feasible expectations, and enhancing over time where required is a lesson we learnt from the past in the context of complex, international data collection exercises.	Noted.
106.			Confidential comment deleted	
107.	CEA, ECO-SLV-09-453	3.18.	We strongly agree with the statement that "it is important that costs and benefits of the proposals for all parties are assessed to influence the policy development". This is should be taken into account much more clearly in this consultation paper, as excessive burden is placed on the industry.	Noted.
108.	CRO Forum	3.18.	We strongly agree with the statement that "it is important that costs and benefits of the proposals for all parties are assessed to influence the policy developments".	Noted.
109.	Danish	3.18.	CEIOPS mentions the Commissions focus on administrative burdens	This should be balanced with

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	Insurance Association		for companies. We agree with this target but thinks it's poorly pursued in this paper.	policyholder's protection objective.
110.	European Insurance CFO Forum	3.18.	Costs and benefits analysis should influence reporting requirements.  The CFO Forum strongly agrees with the statement that "it is important that costs and benefits of the proposals for all parties are assessed to influence the policy developments".	Noted.
111.	Groupe Consultatif	3.18.	We strongly underpin the statement that "the costs and benefits of the proposals ... are assessed to influence the policy development". CP 58 seems to be situated at the one end of extreme supervision and thus needs to be graded down to a sensible level where supervisors and undertakings can act sufficiently. The assessment of costs and benefits needs to be done early enough so that the undertakings do not waste energy or money in order to get prepared for the final Solvency regime.	See comment 109.
112.	Lloyd's	3.18.	We agree that "it is important that costs and benefits of the proposals for all parties are assessed to influence the policy development". It is important that the right balance is achieved on the level of reporting, so as to ensure that requirements are proportionate, are not excessive and provide meaningful and useful information for supervisors and other interested parties.	Noted.
113.	Munich RE	3.18.	An implementation of the consultation paper in its present form would place an excessive burden on the industry, with costs being borne by the insured.	See revised advice. CEIOPS has taken on board some comments while preserving the appropriate level of disclosure an reporting that fulfils the objectives stated in the Impact Assessment exercise.
114.	PricewaterhouseCoopers	3.18.	Paragraphs 3.18-3.19 refer to the impact assessments contained in Annex A and Annex B (which in turn refer to 2 further templates).	Calculation of the administrative burden (ie the costs for



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	LLP		We are concerned that these assessments do not form a sufficient basis for stakeholders to assess the impact of the proposals. The assessments focus on qualitative comparisons of differing options without providing any quantitative, absolute, assessment of their impact. Without an assessment of the absolute, as well as relative, costs and benefits of each of the options considered it is difficult for stakeholders to make an assessment as to whether the proposals represent proportionate regulatory responses.	undertakings and supervisors) will be done by the contractor hired by the EC (Deloitte UK). It is not part of the Impact Assessment which, as the name suggests, identifies the impact of the options.
115.	PricewaterhouseCoopers LLP	3.19.	See paragraph 3.18 above.	Noted.
116.	PricewaterhouseCoopers LLP	3.20.	See paragraph 3.18 above.	Noted.
117.	AAS BALTA	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	CEIOPS believes that the answer is yes.
118.	AB Lietuvos draudimas	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
119.	ACORD	3.21.	Harmonized supervisory reporting requirements can be reinforced by the development of voluntary data standards including a common data dictionary.  Related to bullet 'c' we would like to highlight the "one source principle" related to raw data wherever possible and adequate, supporting the mentioned compatibility rules and standards.	Noted.
120.			Confidential comment deleted	
121.	CEA,	3.21.	We strongly agree with the objectives set out for supervisory	The objectives have been defined

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	ECO-SLV-09-453		<p>reporting.</p> <p>Given the large amount of double reporting that this CP entails, the objective d) ensuring "...efficient supervision of insurance groups and financial conglomerates" should be extended to efficient supervision of all insurance undertakings. And further regards should also be given to the possibilities for the undertakings to have efficient processes of compliance with the reporting requirements".</p>	by the EC, as explained in footnote 9, and therefore cannot be changed.
122.	CRO Forum	3.21.	<p>We strongly agree with the stated objectives for CEIOPS' proposals: in particular to "promote compatibility of valuation and reporting rules with the international accounting standards elaborated by the IASB" and to "ensure efficient supervision of insurance groups and financial conglomerates".</p> <p>In addition, it should be ensured that no additional burden is created for financial conglomerates. Group disclosures of an insurance-dominated financial conglomerate should be based on the group SFCR as defined and not require an additional Fico-report.</p>	Noted.
123.	Danish Insurance Association	3.21.	Given the large amount of double reporting that this draft CP entails, CEIOPS objective d) ensuring "...efficient supervision of insurance groups and financial conglomerates" should be extended to efficient supervision of all insurance undertakings. Efficiency of the supervisory processes should be pursued in the processes within the supervisor. And further regards should also be shown to the possibilities for the undertakings to have efficient processes of compliance with the reporting requirements.	See comment 121.
124.	DENMARK: Codan Forsikring	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.

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	A/S (10529638)			
125.	Dexia	3.21.	<p>a) We do not believe that proportionate requirements for small undertakings are adequate. As a matter of fact, in addition to create an un-level-playing field, small entities have smaller portfolios and business and are using less complex models. As such the same requirements will be easier to fulfil for those entities.</p> <p>c) We believe it is common interest to harmonize under the IFRS regulation. We therefore would like to support the regulator for the reaching of those objectives. However, this could only be applied at conso level</p>	Noted.
126.			Confidential comment deleted	
127.	ECIROA	3.21.	Proportionate requirements for small undertakings must include captives.	See comment 76.
128.	European Insurance CFO Forum	3.21.	<p>Objectives for compatibility of valuation and reporting rules with IFRS and efficient supervision of group undertakings are welcomed.</p> <p>The CFO Forum strongly agrees with the stated objectives for CEIOPS' proposals, in particular to "promote compatibility of valuation and reporting rules with the international accounting standards elaborated by the IASB" and to "ensure efficient supervision of insurance groups and financial conglomerates". Consistency with IFRS should not, however, result in a move away from an economic valuation measurement basis under Solvency II.</p>	Noted.
129.	German Insurance Association – Gesamtverb	3.21.	<p>We strongly agree with the objectives set out for supervisory reporting.</p> <p>Given the large amount of double reporting that this CP entails, the objective d) ensuring "...efficient supervision of insurance groups and financial conglomerates" should be extended to efficient</p>	See comment 121.

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	and der D		supervision of all insurance undertakings. And further regards should also be given to the possibilities for the undertakings to have efficient processes of compliance with the reporting requirements".	
130.	Link4 Towarzystw o Ubezpieczeń SA	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
131.	Lloyd's	3.21.	We endorse the objectives set out for supervisory reporting.	Noted.
132.	Munich RE	3.21.	Munich Re strongly agrees with the stated objectives for CEIOPS' proposals, in particular to "promote compatibility of valuation and reporting rules with the international accounting standards elaborated by the IASB" and to "ensure efficient supervision of insurance groups and financial conglomerates". Moreover individual aspects of the undertakings should be taken into account e.g. size, type of business (reinsurer vs. primary insurer).	Noted. See also comment 121.
133.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
134.	RSA Insurance Group PLC	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
135.	RSA Insurance Ireland Ltd	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.

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136.	RSA - Sun Insurance Office Ltd.	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
137.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.21.	(a) Are the proposals for "solo" entity within a group reporting meeting the proportionality objective as well as efficient supervision?	See comment 117.
138.	XL Capital Ltd	3.21.	We agree with the objectives for supervisory reporting: a) introduce proportionate requirements for small undertakings b) Harmonise supervisory reporting c) Promote compatibility of valuation and reporting rules with the international accounting standards elaborated by the IASB d) Ensure efficient supervision of insurance groups with financial conglomerates	Noted.
139.	Munich RE	3.22.	See comment 3.21	Noted
140.				
141.	ACORD	3.26.	An additional aspect is the resource capacity with respect of time and skills to review, evaluate and assess the information for purpose of solvency supervision.	Under the Solvency II regime the supervisory authorities will have the necessary powers and resources to perform the SRP, including the review, evaluation and assessment of the information received.
142.	Association	3.27.	It is not clear throughout the consultation the extent to which	The information is required both

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	of British Insurers		information is required at group and/or solo level.	at solo and group level except where it explicitly says otherwise. Proportionality, materiality and scope of application always apply. More specific examples on group issues will be further developed under L3 guidance.
143.			Confidential comment deleted	
144.	AAS BALTA	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	The intention was not to suggest supervisory pre-approval was required. After disclosure supervisors should ensure that the information disclosed is appropriate and consistent with the information reported under the RTS.  CEIOPS has clarified this issue. Please see amended paragraphs
145.	AB Lietuvos draudimas	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
146.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.28.	There is no point in repeating in the SFCR the same information as in the annual accounts.  This is ineffective and could put a huge extra cost on the industry without giving any obvious positive effect for the stakeholders.  The RTS and the SFCR are supervised by the financial supervisor while the annual accounts are being revised by the accountant. It is also from a general aspect very ineffective to demand reviews on	CEIOPS acknowledges that undertakings may make use of information already available to the public. However, "Supervisory authorities would expect that any equivalent information is replicated in full in the undertaking's disclosure document to avoid the situation where the SFCR contains a

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			the same information from both the supervisor and the accountant. In our opinion reference towards the audited annual report (and financial statement) should be accepted. This ensures the avoidance of unnecessary double reporting and limits the administrative burden.  Also relevant for 3.34 and 3.282.	number of hyperlinks to the equivalent information. Including the information in full assists readers of the SFCR so they have all the information in one place and do not continually have to refer to other documents or find other sources of disclosure".
147.			Confidential comment deleted	
148.	CEA, ECO-SLV- 09-453	3.28.	<p>There is no point in repeating in the SFCR the same information as in the annual accounts.</p> <p>This is ineffective and could put a huge extra cost on the industry without giving any obvious positive effect for the stakeholders.</p> <p>The RTS and the SFCR are supervised by the financial supervisor while the annual accounts are being revised by the accountant. It is also from a general aspect very ineffective to demand reviews on the same information from both the supervisor and the accountant. In our opinion reference towards the audited annual report (and financial statement) should be accepted. This ensures the avoidance of unnecessary double reporting and limits the administrative burden.</p> <p>Also relevant for 3.34 and 3.282.</p>	<p>CEIOPS acknowledges that undertakings may make use of information already available to the public. However, "Supervisory authorities would expect that any equivalent information is replicated in full in the undertaking's disclosure document to avoid the situation where the SFCR contains a number of hyperlinks to the equivalent information. Including the information in full assists readers of the SFCR so they have all the information in one place and do not continually have to refer to other documents or find other sources of disclosure".</p> <p>CEIOPS believes that benefits of this solution highly overweight the costs.</p>
149.	CRO Forum	3.28.	We are concerned about the considerable duplication of reporting effort and administrative checking that would be required to make	CEIOPS does not believe that the cost of having duplication

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			<p>the RTS a stand-alone document. We argue that it should be allowed to refer to content from other public or private communication material as appropriate.</p> <p>Regarding monitoring of SFCR content by the regulator, if the RTS were to be based on an audited SFCR, it would not seem necessary to get approval for the SFCR. If the RTS is approved this would imply that the SFCR is approved by the regulator as well. To facilitate this, the structure and presentation of the SFCR and RTS should be matched.</p> <p>In addition, it should be defined whether all subsidiaries are relevant for both the RTS and the SFCR e.g. considering materiality or location outside of the EEA.</p>	<p>between the SFCR and the RTS is material for undertakings. If the undertaking considers that the information is the same it simply uses the same information. CEIOPS recognises however an extra burdening for supervisory authorities.</p> <p>See also comment 144, 148.</p> <p>Materiality principles should apply.</p>
150.	DENMARK: Codan Forsikring A/S (10529638)	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
151.	Dexia	3.28.	<p>We strongly believe that it is the role of market stakeholders to ensure that information published is appropriate and consistent, not the regulators.</p> <p>In addition, we do not support the principle of "stand alone document". When information is present somewhere else and available for regulators, it should not be asked another time. It just leads to duplication of work for entities using XBRL, i.e. additional burdens and costs.</p>	<p>See comment 144.</p> <p>Under the solvency regime the supervisory authorities need to ensure compliance with all rules, including the disclosure ones. The protection of policyholders includes ensuring that they receive appropriate and consistent information.</p> <p>See comment 149.</p>
152.	ECIROA	3.28.	Captives should be exempted from SFCR (see comments above regarding the need for public disclosure). Captives should complete	<p>See comment 76.</p> <p>Proportionality applies to both the</p>



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			the RTS with information appropriate to the size and nature of the undertaking.	SFCR and the RTS.
153.	European Insurance CFO Forum	3.28.	Comments in 3.31 are also relevant here.	Noted.
154.	German Insurance Association – Gesamtverb and der D	3.28.	<p>There is no point in repeating in the SFCR the same information as in the annual accounts.</p> <p>This is ineffective and could put a huge extra cost on the industry without giving any obvious positive effect for the stakeholders.</p> <p>The RTS and the SFCR are supervised by the financial supervisor while the annual accounts are being revised by the accountant. It is also from a general aspect very ineffective to demand reviews on the same information from both the supervisor and the accountant. In our opinion reference towards the audited annual report (and financial statement) should be accepted. This ensures the avoidance of unnecessary double reporting and limits the administrative burden.</p> <p>Also relevant for 3.34 and 3.282.</p>	See comment 148.
155.	KPMG ELLP	3.28.	<p>(a) This requires the RTS to be a stand-alone document, with no reference to other documents, which is more restrictive than the Level 1 text (Article 50) - see comments above under 'General comment' and point 2.2.</p> <p>(b) The second bullet point states that 'the supervisor should ensure that the information presented in the SFCR is appropriate and consistent with the information provided under the RTS, and that this information is not misleading to the public'. The Level 3 guidance needs to take account of the fact that the actual</p>	<p>See comment 149.</p> <p>See comment 151.</p>

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			responsibility for ensuring that SFCR complies with all relevant requirements lies with board of directors of the (re)insurance undertaking/insurance parent undertaking concerned and some elements of this will also have been audited (paragraph 3.49 of CP 58 refers to the undertaking's primary responsibility with respect to this).	
156.	Link4 Towarzystwo Ubezpieczeń SA	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
157.	Lloyd's	3.28.	Information contained in the annual accounts does not need to be repeated in the SFCR.	See comment 148.
158.	Munich RE	3.28.	In the interest of improving efficiency, Munich Re does not agree that the RTS should be a stand-alone document which copies relevant content from other public or private communication material as appropriate.	See comment 149.
159.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
160.	PricewaterhouseCoopers LLP	3.28.	In the first bullet (and in paragraph 3.29 and 3.34) it is stated that "the RTS is a stand-alone document, which does not require reference to any other document in order to be understood". As set out in paragraph 3.27, supervisors will also receive the SFCR, there will therefore be some duplication in the RTS of matters included in the SFCR. As well as being repetitive, this may lead to an unnecessarily large volume of information to be considered by supervisors.	See comment 149.

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			In addition, there may be other data sources that contain information relevant for supervisory purposes (e.g. published accounts, the own risk and solvency assessment performed in accordance with Article 44) which could be provided to supervisors. Where supervisory information needs can properly be met by such data we believe it would be proportionate for the RTS to clearly and specifically cross refer to where the reporting requirements are met (potentially subject to prior supervisory approval). While in practice we expect that many undertakings will prepare a single set of information from which the separate reports can be populated, some insurers may find it more efficient to avoid significant repetition between documents.	See comment 148. The information on the ORSA is included in the RTS.
161.	RSA Insurance Group PLC	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
162.	RSA Insurance Ireland Ltd	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
163.	RSA - Sun Insurance Office Ltd.	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
164.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.28.	Do not consider that supervisor approval pre release is practical. Retrospective review with penalty/withdrawal by exception is more appropriate.	See comment 144.
165.	ACORD	3.29.	The development of voluntary data standards by the insurance industry increases the efficiency of data reporting and reduces unnecessary administrative costs.	Noted.
166.	Groupe	3.29.	We are not convinced by the argument for a similar structure,	See comment 148 and 149.

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	Consultatif		which has the potential to lead to duplication. Complementarity of structure may be more important.	
167.	PricewaterhouseCoopers LLP	3.29.	<p>This paragraph notes that CEIOPS envisages the SFCR will be a stand alone report. Given the stated objective (see paragraph 3.21(c)) to promote "compatibility of ... reporting rules with the international accounting standards elaborated by the IASB" it is to be expected (and desired) that there will be a significant overlap between the requirements of the SFCR and the requirements of financial statements prepared under IFRS. As a result we question the desirability of requiring the SFCR to be a fully stand alone document when it may well duplicate significant elements of financial statements prepared under IFRS. We therefore believe the SFCR should be permitted to incorporate, by reference, and potentially with prior supervisory approval, items included in financial statements provided they are publicly available in the same way and to the same timetable as the SFCR. Items in respect of which Solvency II prescribes a different measurement basis from the financial statements may need to be reported on the Solvency II basis within the SFCR.</p> <p>See paragraph 3.28 in respect of RTS.</p>	See comment 148 and 149.
168.	XL Capital Ltd	3.29.	CEIOPS envisages that the SFCR and RTS will be stand-alone documents. We believe that this will result in inefficiency and repetition between the two reports. Would it be possible to envisage a mechanism whereby the SFRC report would be a subset of the RTS report?	See comment 149.
169.	Association of British Insurers	3.30.	We agree that undertakings should report regularly both to supervisors (RTS) and publicly (SFCR).	Noted.
170.	CEA,	3.30.	Ceioms is mixing up public disclosure and supervisory reporting	CEIOPS has amended the referred

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ECO-SLV-09-453		<p>requirements for solo undertakings and groups.</p> <p>Based on the Level I text we would like to highlight the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Supervisory reporting is foreseen on a regular basis; however, public disclosure on an annual basis.</li> <li><input type="checkbox"/> Both solo undertakings and groups report privately to a single supervisory authority.</li> <li><input type="checkbox"/> The Level 1 text is silent on the submission of the Solvency and Financial Condition Report (SFCR) to supervisors; as it is publicly disclosed submitting directly a copy of the SCFR to the supervisors in parallel might be not necessary.</li> </ul> <p>We propose the following redrafting:</p> <p>"On a regular basis undertakings and groups shall submit information which is necessary for the purposes of supervision in accordance with Art. 35 report to their supervisory authority, the Report to Supervisors (RTS) and the Report on Solvency and Financial Condition (SFCR).</p> <p>On an annual basis undertakings shall publicly disclose a report on their solvency and financial condition in accordance with Art. 50, the Solvency and Financial Condition Report (SFCR).</p> <p>On an annual basis, groups shall publicly disclose a report on the solvency and financial condition at the level of the group (Group SFCR).</p> <p>In analogy to Art. 35 the supervisory authority exercising group supervision (= group supervisor) shall have access to any information relevant for the purpose of group supervision in accordance with Art. 258."</p>	<p>paragraph. Please see amended paragraphs</p> <p>As regards the submission of the SFCR to the supervisory authority, this was addressed in the CP in paragraph 3.474, where the supervisory authorities would be unable to assess the appropriateness of the disclosures required by Article 54(1).</p> <p>By analogy to Art. 35 the group supervisor shall have access to any information relevant for the purpose of group supervision in accordance with Art. 254."</p>	

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71.	FFSA	3.30.	The SFCR is part of the undertaking (Group)'s communication. This means both that (a) it should not be viewed as a mandatorily-separated report, but rather as either a segment of the financial statements or a list of information that may be provided in a disseminated way throughout the notes to financial statements and that (b) its disclosure frequency should be aligned to the frequency of the financial statements' disclosure.	See comment 148.  Article 50 requires the undertaking to publicly disclose the SFCR on an annual basis. The submission dates are established as a reference to the financial year end (please refer to table on 3.6.4 of CP 58).
172.	German Insurance Association – Gesamtverb and der D	3.30.	CEIOPS is mixing up public disclosure and supervisory reporting requirements for solo undertakings and groups.  Based on the Level I text we would like to highlight the following: <ul style="list-style-type: none"> <li>- supervisory reporting is foreseen on a regular basis; however, public disclosure on an annual basis</li> <li>- both solo undertakings and groups report privately to a single supervisory authority</li> <li>- the Level I text is silent on the submission of the Solvency and Financial Condition Report (SFCR) to supervisors; as it is publicly disclosed submitting directly a copy of the SCFR to the supervisors in parallel might be not necessary</li> </ul> We propose the following redrafting: "On a regular basis undertakings and groups shall submit information which is necessary for the purposes of supervision in accordance with Art. 35 report to their supervisory authority, the Report to Supervisors (RTS) and the Report on Solvency and Financial Condition (SFCR).	See comment 170.

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			<p>On an annual basis undertakings shall publicly disclose a report on their solvency and financial condition in accordance with Art. 50, the Solvency and Financial Condition Report (SFCR).</p> <p>On an annual basis, groups shall publicly disclose a report on the solvency and financial condition at the level of the group (Group SFCR).</p> <p>In analogy to Art. 35 the supervisory authority exercising group supervision (= group supervisor) shall have access to any information relevant for the purpose of group supervision in accordance with Art. 258."</p>	
173.	Just Retirement Limited	3.30.	<p>There should be a "no duplication" rule – much of the information required by these requirements will already be produced through reports and accounts etc. We believe that the current reporting requirement will result in duplication - for both public and supervisory disclosures, particular attention should be paid to other reporting requirements in place (IFRS and local GAAP reporting), in order to minimise duplication of reported information.</p> <p>The reconciliations between the accounting basis and the solvency basis for various technical data should follow mainly the principle of materiality of the difference – if there is no material difference then the reporting should be the same.</p> <p>The benchmark for setting qualitative and quantitative disclosure requirements should be based on minimum requirements – however these requirements are based on best practice considerations – resulting in 'gold plating' of the requirements.</p>	<p>See comment 148.</p> <p>Noted.</p>
174.	Lloyd's	3.30.	We agree that it is sensible to separate supervisory reporting for public disclosure purposes (SFCR) and private purposes (RTS).	Noted.

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175.	Lucida plc	3.30.	We believe that consideration should be given to filing a single report publicly and any additional information being provided directly to the regulator. Two sets of reporting increases the burden on management and the receiving bodies. Both reports are likely to be voluminous. We are not persuaded that the RTS should be a stand alone report.	See comment 148.
176.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.31.	<p>The SFCR should not be subject to prior approval of the supervisory authority.</p> <p>This is against the Level I text. The responsibility for the undertaking cannot and should not be withdrawn by a censoring supervisory authority in advance.</p> <p>We propose the following redrafting:</p> <p>"The SFCR is the public report through which undertakings disclose to the public information about their solvency and financial condition. The undertaking has the responsibility to ensure that the information presented in it is appropriate and consistent with the information provided under the RTS, and that this information is not misleading for the public."</p>	<p>See comment 144.</p> <p>CEIOPS agrees. The paragraph is clear when stating that the primary responsibility is from the undertaking. However the supervisory authority also has its own responsibilities.</p> <p>See also comment 151.</p>
177.	Association of British Insurers	3.31.	We agree that firm's should give supervisors advance notice of their SFCR prior to publication but do not believe that requiring SFCR's to be approved by supervisors is either practicable or necessary. In terms of practicality it is not clear that supervisors would be able to process all the SFCR's so that firms can meet publication deadlines (whether those set by the directive or by market requirements) following the year-end. We also note that there is no similar requirement for banks' Pillar III disclosures to be vetted in advance by supervisors and CEIOPS puts forward no justification as to why a more onerous requirement should apply to insurers.	See comment 144 and 151.
178.	CEA,	3.31.	The SFCR should not be subject to prior approval of the supervisory authority.	



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	ECO-SLV-09-453		<p>This is against the Level I text. The responsibility for the undertaking cannot and should not be withdrawn by a censoring supervisory authority in advance.</p> <p>We propose the following redrafting:</p> <p>"The SFCR is the public report through which undertakings disclose to the public information to be able to analyse about their solvency and financial condition. Although The undertaking has the primary responsibility here, the supervisory authority shall receive the SFCR and to ensure that the information presented in it is appropriate and consistent with the information provided under the RTS, and that this information is not misleading for the public."</p>	<p>CEIOPS agrees. The paragraph is clear when stating that the primary responsibility is from the undertaking. However the supervisory authority also has its own responsibilities.</p> <p>See also comment 144 and 151.</p>
179.	Dexia	3.31.	Please refer to our comment 3.28.	Noted.
180.	DIMA (Dublin International Insurance & Management	3.31.	A full public report should not be necessary for captives given the limited scope of their business.	See comment 152.
181.	European Insurance CFO Forum	3.31.	<p>The CFO Forum appreciates that in order for the RTS and SFCR to be well co-ordinated, the structure and presentation of the public and private information will need to be closely matched. However, the two reports should be different in terms of volume with the SFCR being more concise.</p> <p>To support efficiency, the CFO Forum agrees that the RTS should include relevant content from other public or private communication material as appropriate. An important element of the RTS will be the content of the SFCR. In order for this co-ordination of information to work efficiently, the structure and</p>	CEIOPS agrees.

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			presentation of the public and private information will need to be closely matched but the public disclosure should be much more concise.	
182.	German Insurance Association – Gesamtverb and der D	3.31.	<p>The SFCR should not be subject to prior approval of the supervisory authority.</p> <p>This is against the Level I text. The responsibility for the undertaking cannot and should not be withdrawn by a censoring supervisory authority in advance.</p> <p>We propose the following redrafting:</p> <p>“The SFCR is the public report through which undertakings disclose to the public information to be able to analyse about their solvency and financial condition. Although The undertaking has the primary responsibility here, the supervisory authority shall receive the SFCR and to ensure that the information presented in it is appropriate and consistent with the information provided under the RTS, and that this information is not misleading for the public.”</p>	See comment 144.
183.	KPMG ELLP	3.31.	See 3.28	Noted.
184.	Lloyd’s	3.31.	It is not clear what is meant by “the supervisory authority shall receive the SFCR and ensure that the information presented in it is appropriate...” If this means that the SFCR is subject to prior supervisory approval, then we would disagree with this requirement, which does not reflect the Framework Directive.	See comment 144 and 151.
185.	Pearl Group Limited	3.31.	We agree that undertakings should report regularly both to supervisors (RTS) and publicly (SFCR).	Noted.
186.	XL Capital Ltd	3.31.	“...supervisory authority shall receive the SFCR and ensure that the information presented in it is appropriate and consistent with the	Revision is after publication. There is no pre-approval.

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			<p>information provided under the RTS, and that this information is not misleading for the public.”</p> <p>Is this process likely to delay the timing for publishing the SFCR report? How long will supervisors need to review it? In a large group / college of supervisors there may be numerous branch supervisors who wish to review it.</p>	See comment 144 and 151.
187.	Association of British Insurers	3.32.	We agree with this advice.	Noted.
188.	CEA, ECO-SLV-09-453	3.32.	<p>It is necessary to differentiate more precisely between the solo and the group case.</p> <p>We propose the following redrafting:</p> <p>“The RTS is the private report through which undertakings and groups submit information to their supervisor or group supervisor necessary for the purposes of supervision or group supervision respectively.”</p>	See comment 170.
189.	German Insurance Association – Gesamtverb and der D	3.32.	<p>It is necessary to differentiate more precisely between the solo and the group case.</p> <p>We propose the following redrafting:</p> <p>“The RTS is the private report through which undertakings and groups submit information to their supervisor or group supervisor necessary for the purposes of supervision or group supervision respectively.”</p>	See comment 170.
190.	Pearl Group Limited	3.32.	We agree that firm’s should give supervisors advance notice of their SFCR prior to publication but do not believe that requiring SFCR’s to be approved by supervisors is either practicable or necessary. In	See comment 144 and 151.

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			terms of practicality it is not clear that supervisors would be able to process all the SFCR's so that we can meet publication deadlines (whether those set by the directive or by market requirements) following the year-end. We also note that there is no similar requirement for banks' Pillar III disclosures to be vetted in advance by supervisors and CEIOPS puts forward no justification as to why a more onerous requirement should apply to insurers.	
191.	PricewaterhouseCoopers LLP	3.32.	See paragraph 3.10	Noted.
192.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.33.	<p>The SFCR should not necessarily be accompanied by quantitative reporting templates. In general, we would expect that reporting templates to the public differ from reporting templates to supervisors (e. g. in granularity and detail). Undertakings may disclose via quantitative reporting templates, on a voluntary basis, any information or explanation related to their solvency and financial condition which is not already required to be disclosed by the Level I text.</p> <p>We propose the following redrafting:</p> <p>"Both the RTS and the SFCR shall contain a qualitative report, including quantitative data, where necessary, and quantitative reporting templates qualitative or quantitative elements, or any appropriate combination thereof. The RTS is expected to be accompanied by quantitative reporting templates to ensure an appropriate combination of qualitative and quantitative elements."</p>	<p>The proposed paragraph is exactly what CEIOPS means. The expression quantitative reporting templates does not mean that the templates should be the same for disclosure and reporting.</p> <p>CEIOPS is still discussing the merits of having harmonised templates for disclosure purposes.</p>
193.	Association of British Insurers	3.33.	We agree with this advice.	Noted.
194.	CEA, ECO-SLV-	3.33.	The amount of data to be reported in the qualitative report should be reduced and existing reporting should not be duplicated.	CEIOPS will analyse this document in the particular paragraphs of

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	09-453		See also our comments on the different sections of Annex D.	disclosure elements. Regarding duplication see also comment 148 and 149.
195.	German Insurance Association – Gesamtverb and der D	3.33.	The amount of data to be reported in a qualitative report should be reduced and existing reporting should not be duplicated. See also our comments on the different sections of Annex D.	See comment 194.
196.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.34.	We agree that the SFCR must be a stand-alone report in order to give the receivers of information a whole picture and to ensure confidentiality of information. But we see no need for the RTS to be a stand-alone report if this means duplicating or even reproducing information already given in the SFCR or in the annual report. Supervisor has access to all documents. It will clearly be more efficient for supervisor to investigate the public SFCR supplemented by the confidential information in the RTS, than for the undertakings to produce massive duplication of both information and efforts and double checking of consistency of both qualitative and quantitative information. These processes will add nothing to – or even blur - the undertakings insight and understanding of its risks.	See comment 149.
197.	Association of British Insurers	3.34.	We agree with this advice.	Noted.
198.	CEA, ECO-SLV-09-453	3.34.	We agree that the SFCR must be a stand-alone report in order to give the receivers of information a whole picture and to ensure confidentiality of information. It would make sense for the SFCR to be part of existing reporting	See comment 149.

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			<p>on financial statements, e.g. as an annex to the financial statements.</p> <p>But we see no need for the RTS to be a stand-alone report if this means duplicating or even reproducing information already given in the SFCR or in the annual report.</p> <p>Supervisor has access to all documents and therefore we strongly urge that referencing to other documents is allowed in the SFCR. It will clearly be more efficient for supervisor to investigate the public SFCR supplemented by the confidential information in the RTS, than for the undertakings to produce massive duplication of both information and efforts and double checking of consistency of both qualitative and quantitative information.</p> <p>See comment on 3.28.</p>	
199.	CRO Forum	3.34.	<p>We are concerned about the considerable duplication of reporting effort and administrative checking that would be required to make the SFCR and the RTS stand-alone documents. We argue that it should be allowed to refer to content from other public or private communication material as appropriate.</p> <p>The option of making the SFRC and the RTS two elements of the same overall document should be considered. An alternative would be to make the SFRC part of the annual financial statements, in view of the considerable synergies which could be achieved.</p>	<p>See comment 149.</p> <p>See comment 148.</p>
200.	Danish Insurance Association	3.34.	<p>We agree that the SFCR must be a stand-alone report in order to give the receivers of information a whole picture. But we see no need for the RTS to be a stand-alone report if this means duplicating or even reproducing information already given in the</p>	See comment 149.

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			<p>SFCR or in the annual report. Supervisors have access to all documents. It will clearly be more efficient for the supervisor to study the public SFCR supplemented by the confidential information in the RTS, than for the undertakings to produce massive duplication of both information and efforts and double checking of consistency of both qualitative and quantitative information. These processes will add nothing to – or even blur - the undertakings insight and understanding of its risks.</p> <p>Regard should be taken to supervisors efficiency under a truly risk based regime. But also the processes within the companies should canalise the majority of the efforts into the task of understanding and monitoring risks and focusing the stream of information to both supervisor and the general public to support an efficient risk-based supervisory regime at the benefit of policyholders. To set this process off by requiring two stand alone reports – besides the stand alone annual report – is not enhancing the objectives of the Solvency II-regime.</p>	
201.	Dexia	3.34.	We do not support the principle of “stand alone document”. When information is present somewhere else and available for regulators, it should not be ask another time. It just leads to duplication of work for entities using XBRL, i.e. additional burdens and costs.	See comment 149.
202.	DIMA (Dublin International Insurance & Management	3.34.	The SFCR and RTS are very similar documents. Repetition could add to the administration burden on captives.	See comment 149.
203.	FFSA	3.34.	<p>The CEIOPS defines the RTS and SFCR as stand-alone documents.</p> <p>FFSA understands that they should not be viewed as a mandatorily-separated report, but rather as either a segment of the financial</p>	<p>See comment 149.</p> <p>See comment 171.</p>

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			statements or a list of information that may be provided in a disseminated way throughout the notes to financial statements. Its disclosure frequency should also be aligned to the frequency of the financial statements' disclosure. Therefore, FFSA disagrees with definition of CEIOPS	
204.	German Insurance Association – Gesamtverb and der D	3.34.	<p>We agree that the SFCR must be a stand-alone report in order to give the receivers of information a whole picture and to ensure confidentiality of information. It would make sense for the SFCR to be part of existing reporting on financial statements, e.g. as an annex to the financial statements.</p> <p>But we see no need for the RTS to be a stand-alone report if this means duplicating or even reproducing information already given in the SFCR or in the annual report. Supervisor has access to all documents and therefore we strongly urge that referencing to other documents is allowed in the SFCR. It will clearly be more efficient for supervisor to investigate the public SFCR supplemented by the confidential information in the RTS, than for the undertakings to produce massive duplication of both information and efforts and double checking of consistency of both qualitative and quantitative information.</p>	<p>The SFCR and the financial statements are different pieces of disclosure. However, some information is the same. See comment 148.</p> <p>See comment 149.</p>
205.	Groupe Consultatif	3.34.	See comment on 3.29	Noted.
206.	KPMG ELLP	3.34.	See comments under 'general comment', 2.2 and 3.28 regarding 'stand-alone documents'.	Noted. See comment 149.
207.	Legal & General Group	3.34.	We support this proposal	Noted.



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208.	Lloyd's	3.34.	We do not agree with the SFCR and RTS being "stand alone", if this means that they must contain duplicated information. As a publicly-available document, it is appropriate for the SFCR to provide a complete picture. It is not necessary for the RTS to contain the same information, so to that extent it does not need to be "stand alone".	See comment 149.
209.	Munich RE	3.34.	We do not agree with CEIOPS that both documents should be stand-alone documents. The SFCR and RTS should be separate reports in both of which references to other public available information should be allowed.	See comment 148 and 149.
210.	PricewaterhouseCoopers LLP	3.34.	See paragraph 3.28 in respect of RTS and paragraph 3.29 in respect of SFCR.	Noted.
211.	XL Capital Ltd	3.34.	See comments in para 3.29.	Noted.
212.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.35.	The quantitative reports should not be left to level 3 but should be part of level 2 ensuring a level playing field regarding the details. Quantitative and qualitative reporting should not be treated separately and should be seen holistically. CEIOPS cannot include Level 3 guidance in Level 2 implementing measures.	The quantitative reports are supervisory information and should therefore be decided by the supervisory authorities through Level 3. CEIOPS will ensure harmonization.
213.	CRO Forum	3.35.	The quantitative reports should not be left to level 3 but should ideally be part of level 2 ensuring a level playing field regarding the details.	The quantitative reports are supervisory information and should therefore be decided by the supervisory authorities through Level 3. CEIOPS will ensure harmonization.

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214.	German Insurance Association – Gesamtverb and der D	3.35.	The quantitative reports should not be left to level 3 but should be part of level 2 ensuring a level playing field regarding the details. Quantitative and qualitative reporting should not be treated separately and should be seen holistically. CEIOPS cannot include Level 3 guidance in Level 2 implementing measures.	See comment 213.
215.	KPMG ELLP	3.35.	As only extracts from the QRT will form part of the public disclosure, it will be important that the audit requirements in relation to them are clearly defined and understood by readers. The form of reporting will need to be considered to ensure that it provides a suitable level of comfort without disproportionate cost (for example, some negative assurances might be preferable to positive assurances).	CEIOPS will further develop the audit requirements in relation to the SFCR and the RTS.
216.			Confidential comment deleted	
217.	CRO Forum	3.37.	We consider it essential to have full clarity on what predefined events can be. We propose that the IFRS definition of materiality is adopted, leaving the practical interpretation of what is material to the judgement of the undertaking.	CEIOPS could develop more examples of what predefined events can be at Level 3 but they can only be examples, not a comprehensive list of events.  CEIOPS used a materiality definition based on the definition of IAS. (see paragraphs 3.46 and 3.47).
218.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.38.	We agree that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP".	Noted.

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219.			Confidential comment deleted	
220.	CEA, ECO-SLV- 09-453	3.38.	<p>We agree that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP".</p> <p>This supports the importance of ad-hoc information to supervisors in specific or unusual circumstances.</p> <p>However there are a number of important issues that need to be considered:</p> <p><input type="checkbox"/> An agreed process should be established for such requests, requiring advanced communication to explain and justify the information needed and requiring a timescale for delivery, where due consideration is taken to the availability of the information within the undertaking.</p> <p><input type="checkbox"/> Any information requested should be in line with the proportionality principle. Otherwise there is danger that such requests overburden undertakings which have a low risk profile.</p> <p><input type="checkbox"/> In groups requests for information need to be coordinated whenever possible in order to prevent duplication of reporting to the various supervisory authorities.</p> <p>We propose the following redrafting:</p> <p>"Supervisory authorities need to have the power to request any information required to assess the situation of an undertaking and proportionate of the risks inherent in its business, without prejudice to the mechanism in groups as set out in Art. 255. "</p>	<p>Noted.</p> <p>The details of the process are clearly Level 3 material.</p> <p>CEIOPS has amended the paragraph to state the principle of proportionality explicitly. See amended paragraph</p>

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221.	CRO Forum	3.38.	We agree that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP". This supports the importance of ad-hoc information to supervisors in specific or unusual circumstances. However it is considered important that an agreed process is established for such requests, requiring advanced communication to explain and justify the information need and requiring a pre-agreed timescale for delivery, which may depend on availability of the information within the undertaking.	Noted. See comment 220.
222.	European Insurance CFO Forum	3.38.	A process for ad hoc disclosure requests is required including timeframe and justification of information requested.  The CFO Forum supports the importance of ad-hoc information to supervisors in specific or unusual circumstances. However it is considered important that an agreed process is established for such requests, requiring advanced communication to explain and justify the information need and requiring a pre-agreed timescale for delivery, which may depend on availability of the information within the undertaking.	Noted. See comment 220.
223.	German Insurance Association – Gesamtverb and der D	3.38.	We agree that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP".  This supports the importance of ad-hoc information to supervisors in specific or unusual circumstances. However there are a number of important issues that need to be considered:  <input type="checkbox"/> An agreed process should be established for such requests, requiring advanced communication to explain and justify the information needed and requiring a timescale for delivery, where due consideration is taken to the availability of the information within the undertaking.	Noted. See comment 220.

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			<p><input type="checkbox"/> Any information requested should be in line with the proportionality principle. Otherwise there is danger that such requests overburden undertakings which have a low risk profile.</p> <p><input type="checkbox"/> In groups requests for information need to be coordinated whenever possible in order to prevent duplication of reporting to the various supervisory authorities.</p> <p>We propose the following redrafting:</p> <p>"Supervisory authorities need to have the power to request any information required to assess the situation of an undertaking and proportionate of the risks inherent in its business, without prejudice to the mechanism in groups as set out in Art. 255. "</p>	
224.	Lloyd's	3.38.	<p>We concur that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP".</p> <p>However it is important that a process be established for such requests, including the supervisor setting out the reasons and justification for the request and establishing a reasonable timescale for the undertaking to comply.</p>	<p>Noted.</p> <p>See comment 220.</p>
225.	Munich RE	3.38.	<p>Munich Re agrees that "supervisory authorities need to have the power to request any information required to assess the situation of an undertaking" and that "this can be at any stage of the SRP". This supports the importance of ad-hoc information to supervisors in specific or unusual circumstances. However it is considered important that an agreed process be established for such requests, requiring advanced communication to explain and justify the information need and requiring a pre-agreed timescale for delivery, which may depend on availability of the information within the</p>	<p>Noted.</p> <p>See comment 220.</p>

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			undertaking.	
226.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.39.	<p>Any information requests from the supervisor towards the external parties should be done through the insurer.</p> <p>The insurer will ask the external party and will be responsible to provide the supervisor with this information. In our opinion if information will flow independently between the supervisor and the external parties without the knowledge of the insurer onerous situations can exist. The external party can “steer” the supervisor in order to benefit from the information. For example a dispute between the external auditor and the insurer on an interpretation can be influenced by the opinion of the supervisor.</p> <p>In our opinion the supervisors should made the information received from the external party, which is not gone through the insurer (passing through), available to the insurer in order to achieve a level playing field regarding information between the supervisor and insurer. The insurer should be able to object to the opinion provided by these external parties.</p> <p>However, we are aware that there could be exemptions to this principle in case of suspicion of economic fraud.</p> <p>Reference should be made to 3.7.3.</p>	See comments on 228
227.			Confidential comment deleted	
228.	CEA, ECO-SLV-09-453	3.39.	<p>Any information requests from the supervisor towards the external parties should be done through the insurer.</p> <p>The insurer will ask the external party and will be responsible to provide the supervisor with this information. In our opinion if information will flow independently between the supervisor and the external parties without the knowledge of the insurer onerous situations can exist. The external party can “steer” the supervisor in order to benefit from the information. For example a dispute</p>	<p>The power stated at this paragraph is established in the Level 1 Directive (Article 35 paragraph 2).</p> <p>However, as CEIOPS understands stakeholders concerns the paragraph was amended.</p>

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			<p>between the external auditor and the insurer on an interpretation can be influenced by the opinion of the supervisor.</p> <p>In our opinion the supervisors should made the information received from the external party, which is not gone through the insurer (passing through), available to the insurer in order to achieve a level playing field regarding information between the supervisor and insurer. The insurer should be able to object to the opinion provided by these external parties.</p> <p>However, we are aware that there could be exemptions to this principle in case of suspicion of economic fraud.</p> <p>Reference should be made to 3.7.3.</p>	
229.	CRO Forum	3.39.	<p>Refers also to 3.7.3.</p> <p>The supervisor should first discuss with the undertaking the need to contact an external party before an information request is made. In general, any information requests from the supervisor to an external party should be made through the undertaking. The undertaking would be responsible for requesting the information from the external party and be responsible to pass the information on to the supervisor. If information flows independently between the supervisor and an external party without the knowledge of the undertaking, difficulties may arise. The external party might seek to influence the supervisor in order to benefit. For example a dispute between an undertaking and its external auditor on an interpretation might be influenced. The external auditor might provide slanted information to provoke a reaction by the supervisor.</p>	See comment 228.

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			Supervisors should make available to the undertaking any information received from an external party, which has not been channeled through the undertaking, in order to achieve a level playing field of information between the supervisor and undertaking. The undertaking should be entitled to object to an opinion provided by an external party.	
230.	German Insurance Association – Gesamtverb and der D	3.39.	<p>Any information requests from the supervisor towards the external parties should be done through the insurer.</p> <p>The insurer will ask the external party and will be responsible to provide the supervisor with this information. In our opinion if information will flow independently between the supervisor and the external parties without the knowledge of the insurer onerous situations can exist. The external party can “steer” the supervisor in order to benefit from the information. For example a dispute between the external auditor and the insurer on an interpretation can be influenced by the opinion of the supervisor.</p> <p>In our opinion the supervisors should made the information received from the external party, which is not gone through the insurer (passing through), available to the insurer in order to achieve a level playing field regarding information between the supervisor and insurer. The insurer should be able to object to the opinion provided by these external parties.</p> <p>However, we are aware that there could be exemptions to this principle in case of suspicion of economic fraud.</p> <p>Reference should be made to 3.7.3.</p>	See comment 228.



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231.	Munich RE	3.39.	<p>Supervisors should not demand information from external parties directly but should ask the insurance company to provide the information.</p> <p>If the supervisor has requested information from external parties, the insurance company should be informed about the information that has been supplied to the supervisor.</p>	See comment 228.
232.	PricewaterhouseCoopers LLP	3.39.	<p>We believe clarification is needed as to who would be considered as "external experts" for the purposes of these paragraphs. Arguably many external parties engaged by insurers are likely to have expertise in the area for which they are engaged. However, we believe the term should be precisely defined to encompass only those external parties performing specified functions (for example the external auditors and, where applicable, any external parties engaged to fulfil the actuarial function). It should additionally be ensured that any requirements introduced by Member States are consistent with other local laws and regulation applicable to the external expert.</p> <p>Where external parties are engaged by an insurer on an ad hoc basis (as opposed to performing functions specified by law and regulation) the supervisor will be able to request directly from the insurer any information/reports provided from the external party to the insurer. Therefore, we do not believe it is necessary or appropriate for such external parties to be considered to be external experts for this purpose, although we recognise that they may in some cases be covered by regulations in place over outsourcing.</p> <p>"Section 3.7.2" should read "Section 3.7.3"</p> <p>See further comments on paragraphs 3.540 and 3.541.</p>	See comment 228.
233.	CEA,	3.41.	As Ceiops does not give Level 2 advice as Art. 35 (4) b) we assume that all information to be reported or disclosed has only to be	Agreed.

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	ECO-SLV-09-453		<p>complete in all material respects, i.e. an absolute completeness is not intended to be required.</p> <p>This is key to reduce the burden of companies. Although Ceiops seems to accept this limitation of providing information by undertakings, it does not give any advice on materiality. Therefore, undertakings are free to decide on materiality. We fully support this freedom.</p>	<p>Materiality is generally defined in paragraphs section 3.2.5 . CEIOPS does not envisage to further define it but included in the Level 2 Advice.</p>
234.	German Insurance Association – Gesamtverb and der D	3.41.	<p>As CEIOPS does not give Level II advice as Art. 35 (4) b) we assume that all information to be reported or disclosed has only to be complete in all material respects, i. e. an absolute completeness is not intended to be required. This is key to reduce the burden of companies. Although CEIOPS seems to accept this limitation of providing information by undertakings, it does not give any advice on materiality. Therefore, undertakings are free to decide on materiality. We fully support this freedom.</p>	<p>See comment 233.</p>
235.	AAS BALTA	3.42.	<p>The proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.</p>	<p>Both group and individual supervision are important under Solvency II regime. Supervisory authorities should receive both solo and group information to perform the SRP.</p> <p>Regarding the SFCR the group may opt for having a single group-wide SFCR (see section 3.3.8 of CP 58)</p>
236.	AB Lietuvos draudimas	3.42.	<p>The proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk</p>	<p>See comment 235.</p>

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			mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	
237.	ACORD	3.42.	While the proportionality principle appears to be a reasonable approach to balance efforts with benefits of reporting – from a practical perspective it might be difficult to ensure effective or consistent application of this principle across companies and member states, with potentially negative implications on quality and comparability of the reported information.	Noted. However proportionality should apply and there is no possible way of having proportionality strict ules.
238.			Confidential comment deleted	Noted.
239.	CEA, ECO-SLV- 09-453	3.42.	We ask for the following redrafting: "The Level 1 text establishes the Proportionality Principle as a general principle that applies throughout the Directive and all its implementing measures." The Level 1 text requires to include the principle of proportionality in all implemting measures (Article 28 (3a)).	Agreed. This was made clear in section 3.2.4. See amended paragraph.
240.	CRO Forum	3.42.	We strongly support the need to apply the proportionality principle.	Noted.
241.	DENMARK: Codan Forsikring A/S (10529638)	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 235.
242.	Dexia	3.42.	Please refer to 3.21	Noted.
243.	German Insurance Association	3.42.	We ask for the following redrafting: "The Level 1 text establishes the Proportionality Principle as a general principle that applies throughout the Directive and all its implementing measures." The	See comment 239.

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	- Gesamtverb and der D		Level 1 text requires to include the principle of proportionality in all implementing measures (Article 28 (3a)).	
244.	KPMG ELLP	3.42.	We note that this permits the reporting of only material changes to the RTS in some circumstances. Consideration could usefully be given to whether a similar approach could be applied to the SFCR. This would reduce the time to produce this document and would aid the supervisory review outlined in paragraph 3.28.	CEIOPS believes that this should not apply to the SFCR. If it would apply stakeholders would need to access several reports in order to have the complete information.
245.	Link4 Towarzystw o Ubezpieczeń SA	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 239.
246.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 239.
247.	RSA Insurance Group PLC	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 239.
248.	RSA	3.42.	The proposals for "solo" entity reporting within a group structure	See comment 239.

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	Insurance Ireland Ltd		are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	
249.	RSA - Sun Insurance Office Ltd.	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 239.
250.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.42.	The proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See comment 239.
251.			Confidential comment deleted	
252.	Belgian Coordination Group Solvency II (Assuralia/	3.43.	Question: How will those undertakings be defined that are not required to submit a full qualitative RTS on an annual basis?	This should be defined by the supervisory authority following the SRP in a risk-based approach and taking into account proportionality.
253.	CEA, ECO-SLV-09-453	3.43.	The proportionality principle described does not consider the fact that a small-scale portfolio, even if it consists only of identical products, has a larger volatility and thus would require a more thorough observation compared to larger and more stable portfolios.	This should be covered by the complexity and nature of the portfolio. In the proportionality principle not only the scale should be taken into account.

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254.	CRO Forum	3.43.	We request clarity on the definition of “undertaking” in cases where there are a number of regulated entities as well as a parent or holding company in one territory.	Undertakings cover insurance and reinsurance undertakings.
255.	Dexia	3.43.	We do not see why a smaller institution could send less frequent reporting. This is against all level playing fields	This is a practical application of both the principle of proportionality and a risk-based approach.
256.	DIMA (Dublin International Insurance & Management	3.43.	This will depend on how supervisors apply the principle in practice. Captive entities have a less complex risk profile than commercial (re)insurers, so the industry should expect reporting requirements in line with business written. The fact that a full version of the RTS is not required every year is welcomed.	Noted.
257.	ECIROA	3.43.	The detail of information to be received by supervisors from captives should be considered as a separate topic due to the different nature of captives i.e. they mostly underwrite only the risks of their parent company. Captive information is confidential and proprietary and should not be publicly available. Captives should submit an RTS and the frequency of this should reflect their size and relatively straightforward structure.	See comment 76 and 152.
258.			Confidential comment deleted	
259.	German Insurance Association – Gesamtverb and der D	3.43.	The proportionality principle described does not consider the fact that a small-scale portfolio, even if it consists only of identical products, has a larger volatility and thus would require a more thorough observation compared to larger and more stable portfolios.	See coment 253.
260.	Groupe Consultatif	3.43.	Please refer to our comments in 3.45	Noted.

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			According to the CP, "there is a degree of proportionality inherent in the supervisory reporting and public disclosure requirements" as "undertakings will not be required to fulfil reporting or disclosure requirements that are not applicable to them". The application of the principle of proportionality would better mean that undertakings will not be required to fulfil reporting or disclosure requirements that are not material to them (as defined in 3.46).	As defined in 3.46 this is also true. Both proportionality principle and risk based approach should be taken into consideration.
261.	Institut des actuaires (France)	3.43.	According to the CP, "there is a degree of proportionality inherent in the supervisory reporting and public disclosure requirements" as "undertakings will not be required to fulfil reporting or disclosure requirements that are not applicable to them". For the Institut des Actuaires, the application of the principle of proportionality would rather mean that undertakings will not be required to fulfil reporting or disclosure requirements that are not material to them (as defined in 3.46).	See comment 260.
262.	KPMG ELLP	3.43.	We agree with the proportionality principles outlined. However, it is not clear how the proportionality principle should be applied to these disclosure requirements. It would be helpful if the Level 3 guidance could indicate where less information could be provided by smaller or less complex businesses.	Noted. CEIOPS will analyse this possibility.
263.	PricewaterhouseCoopers LLP	3.43.	See further comments on paragraphs 3.45.	Noted.
264.	uniqua	3.43.	We suggest a coordination process between company and supervisor about structure and content of the report before sending the report. Such a process would guarantee that the proportionality principle can be applied.	Dialogue between the supervisory authority and the undertaking is crucial. No need for a specific process.
265.	AAS BALTA	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore	CEIOPS disagrees with this comment as the Solvency 2

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			solo entity reporting may not be applicable to such entities.	requirements apply to each authorised undertaking independently and to groups wherever applicable.
266.	AB Lietuvos draudimas	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
267.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.45.	<p>The principle of proportionality should be taken into account better in the consultation paper.</p> <p>CEIOPS reminds that the detail of information to be received by supervisors will be commensurate with the nature, scale and complexity of the risks inherent in the business and that undertakings will not be required to fulfil reporting or disclosure requirements that are not applicable to them. How will this work in practice?</p> <p>It is unclear from the received formats which information is to be submitted on a quarterly or annual basis. We suggest applying the concept of IAS 34 e.g. only when material deviations are recognised additional information is to be provided. For the remainder condensed information is provided.</p> <p>See also comment to 3.42. Reference to Article 28 (3a) of the Level 1 text should be added to paragraph 3.45.</p>	<p>CEIOPS could develop some examples under Level 3. However it will not propose any proportionality “rules”.</p> <p>A proposal for the quarterly information can be found on the table of paragraph 3.517 of CP 58. However this should be defined under Level 3.</p>
268.	Association of British Insurers	3.45.	<p>We agree that reporting requirements should be proportionate to the size and complexity of the undertaking and should be tailored so as to cover only those lines of business which the undertaking carries on.</p> <p>Where an undertaking is not required to prepare an annual RTS then we agree that reporting should be limited to reporting details</p>	<p>Noted.</p> <p>Noted.</p>



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			<p>of material changes.</p> <p>We are, however, concerned that not all of the advice in the paper adheres to these principles and that, as they stand, CEIOPS proposals, particularly in relation to public reporting could be unduly onerous.</p>	<p>CEIOPS recognises that the disclosure requirements are extensive but believe that all information is needed for the assessment of the solvency position of the undertaking.</p>
269.	Association of Friendly Societies	3.45.	<p>Although CEIOPS advises that proportionality will apply it is difficult to see how this will work in practice. With the new regime many undertakings may err on the side of caution as there is no clear guidance on the level of detail required. This may lead to a disproportionate level of information being produced.</p>	<p>CEIOPS could develop some examples under Level 3. However it will not propose any proportionality "rules".</p>
270.	CEA, ECO-SLV-09-453	3.45.	<p>The principle of proportionality should be taken into account better in the consultation paper.</p> <p>Celops reminds that the detail of information to be received by supervisors will be commensurate with the nature, scale and complexity of the risks inherent in the business and that undertakings will not be required to fulfil reporting or disclosure requirements that are not applicable to them. How will this work in practice?</p> <p>It is unclear from the received formats which information is to be submitted on a quarterly or annual basis. We suggest applying the concept of IAS 34 e.g. only when material deviations are recognised additional information is to be provided. For the remainder condensed information is provided.</p> <p>See also comment to 3.42. Reference to Article 28 (3a) of the Level 1 text should be added to paragraph 3.45.</p>	<p>CEIOPS could develop some examples under Level 3. However it will not propose any proportionality "rules".</p> <p>A proposal for the quarterly information can be found on the table of paragraph 3.517 of CP 58. However this should be defined under Level 3.</p>

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			Where an undertaking is not required to prepare an annual RTS then we agree that reporting should be limited to reporting details of material changes.	
271.	CRO Forum	3.45.	The quantitative reporting templates do not make clear which information is proposed to be submitted on a quarterly as opposed to an annual basis. We propose that the concept of IAS 34 is applied, i.e. only in the event of material deviations should additional information be provided. Where this is not the case, condensed information would be sufficient.	See comment 270.
272.	Danish Insurance Association	3.45.	The CEIOPS reference to the principle of proportionality is still quite vague and the consequences ill-defined.	See comment 269.
273.	DENMARK: Codan Forsikring A/S (10529638)	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
274.	Dexia	3.45.	Please refer to 3.21& 3.43	Noted.
275.	FFSA	3.45.	The CEIOPS reminds that the detail of information to be received by supervisors will be commensurate with the nature, scale and complexity of the risks inherent in the business and that undertakings will not be required to fulfill reporting or disclosure requirements that are not applicable to them  FFSA wonders how will be supervised the non-applicability of any requirements following the pproportionality principle?	This is correct.  Supervisors should perform the SRP. The non-applicability will also be supervised.
276.	German	3.45.	The principle of proportionality should be taken into account better in the	See comment 270.

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	Insurance Association – Gesamtverb and der D		<p>consultation paper.</p> <p>CEIOPS reminds that the detail of information to be received by supervisors will be commensurate with the nature, scale and complexity of the risks inherent in the business and that undertakings will not be required to fulfil reporting or disclosure requirements that are not applicable to them. How will this work in practice?</p> <p>It is unclear from the received formats which information is to be submitted on a quarterly or annual basis. We suggest applying the concept of IAS 34 e.g. only when material deviations are recognised additional information is to be provided. For the remainder condensed information is provided.</p> <p>See also comment to 3.42. Reference to Article 28 (3a) of the Level 1 text should be added to paragraph 3.45.</p> <p>Where an undertaking is not required to prepare an annual RTS then we agree that reporting should be limited to reporting details of material changes.</p>	
277.	Groupe Consultatif	3.45.	The proportionality principle described does not consider the fact that a small-scaled portfolio, even if it consists only of identical products, has a larger volatility and thus would require a more thorough observation compared to larger and more stable portfolios.	See comment 253.
278.	International Underwriting Association of London	3.45.	We agree that all supervisory reporting and disclosure should be proportionate to the undertakings nature, scale and complexity of the risks. We agree that these principles should apply to all forms of disclosure, public and regulatory, including the SFCR, and RTS.	Noted.
279.	Investment & Life Assurance Group (ILAG)	3.45.	Although CEIOPS advises that proportionality will apply it is difficult to see how this will work in practice. With the new regime many undertakings may err on the side of caution as there is no clear guidance on the level of detail required. This may lead to a disproportionate level of information being produced.	See coment 269.

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280.	Just Retirement Limited	3.45.	<p>We agree that the level of detail and frequency of reporting should depend on the nature, the scale and the complexity of the risks embedded in its business portfolio. This is defined as the “nature”, “scale” and “complexity” of the organisation – however, further definitions are required of these terms in order to ensure they are consistently understood and applied across the EU.</p> <p>The main aim of the proportionality principle is to ensure that the new regime is achievable for all companies – however, although this CP is strong on supporting proportionality there appears too little evidence of how this will apply in practice. Further guidance is necessary at Level 2 and 3.</p>	<p>Please see also CEIOPS Paper on Proportionality. (CEIOPS-DOC-24/08 - Advice to the European Commission on the Principle of Proportionality in the Solvency II Framework Directive Proposal).</p> <p>See also comment 269.</p>
281.	KPMG ELLP	3.45.	See 3.43	Noted.
282.	Legal & General Group	3.45.	We support the proposal but have concerns that the reporting requirement may end up as a combination of all the requirements currently used in all of the countries. A starting point should be current international reporting requirements/disclosures.	CEIOPS has established as a principle (stated in several CEIOPS Papers) that the harmonization of the quantitative templates will not be a combination of all the requirements.
283.	Link4 Towarzystwo Ubezpieczeń SA	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
284.	Lloyd's	3.45.	<p>We agree with the recognition of proportionality as an important factor within reporting and note the comments about how it is expected to apply.</p> <p>However, we do not believe that this CP properly reflects the proportionality principle. The reporting requirements it sets out are excessive and will represent a significant burden for all insurers, particularly smaller insurers. Many of the disclosures will be of limited use to the public and others will generate information that supervisors will not utilise.</p> <p>The cost of preparing this information (if done in a meaningful way) will be</p>	Noted. This comment will be taken into account when particular information is identified as excessive.

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			substantial and this cost will ultimately be met by policyholders.  A substantial part of these disclosures covers information already shown in financial statements.	
285.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
286.	OAC Actuaries and Consultants	3.45.	Although CEIOPS advises that proportionality will apply it is difficult to see how this will work in practice. With the new regime many undertakings may err on the side of caution as there is no clear guidance on the level of detail required. This may lead to a disproportionate level of information being produced.	See comment 269.
287.	Pearl Group Limited	3.45.	We are concerned that not all of the advice in the paper adheres to these principles and that, as they stand, CEIOPS proposals, particularly in relation to public reporting could be unduly onerous.	Proportionality applies throughout the Level 1 and Level 2 requirements.
288.	PricewaterhouseCoopers LLP	3.45.	<p>We note that the principle of proportionality is considered to be 'built in' to the supervisory reporting and public disclosure requirements, since undertakings with more complex risk profiles will have more complex disclosures, and disclosures do not need to be made where the requirement does not apply to an undertaking.</p> <p>Whilst not disagreeing with either of these principles, we would anticipate that they may be difficult to apply in practice. It is unlikely that many of the requirements will be 'not applicable' to any undertaking, even if they may not be material to them. CEIOPS may wish to consider providing a framework to guide management in applying the principle of proportionality in practice, although this should not be prescriptive to ensure that management are able to exercise appropriate judgement in the application of this principle.</p> <p>However, a framework may help to ensure that smaller and simpler entities are not overburdened by disclosure requirements. For example, permitting the amalgamation of standard headings within the SFCR/RTS when it is</p>	<p>Noted.</p> <p>See comment 269.</p>

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			<p>appropriate to do so, and not reporting immaterial items / lines of business, may be appropriate applications of proportionality.</p> <p>Additionally, where reporting is required under a standard structure, more simple undertakings may be obliged to disclose information on relatively simple or low-risk areas of their businesses to provide information under the elements of the structure. The structure could therefore potentially result in an unnecessarily high minimum volume of disclosure for the more straightforward undertakings.</p>	CEIOPS understand but a standard structure is important for comparability issues.
289.	ROAM (Réunion des Organismes d'Assurance Mutue	3.45.	<p>CEIOPS proposes as principle of reporting that the undertaking must adapt the detail of information provided to the complexity degree of its risks: ROAM approves this requirement.</p> <p>Nevertheless, ROAM also asks for the application of the principle of proportionality according to the undertaking size as it is laid down in Recital 14a ('should not be too burdensome for small and medium-sized insurance undertakings'). Indeed, ROAM thinks that it would be useless and counterproductive to ask for too complex reports to small undertakings, considering their limited financial and human resources.</p> <p>Moreover ROAM wonders how the application of the proportionality principle will be appreciated especially in the following situation: "undertakings will not be required to fulfil reporting or disclosure on requirements that are not applicable to them. In such cases it will suffice to state that the requirements are not applicable to them".</p>	<p>Noted.</p> <p>CEIOPS does not understand the doubt.</p>
290.	RSA Insurance Group PLC	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
291.	RSA Insurance Ireland Ltd	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
292.	RSA - Sun Insurance Office Ltd.	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.

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293.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.45.	Refer to comments 3.42 - The existence of the deed of mutual guarantee means the insurance risk is held collectively, therefore solo entity reporting may not be applicable to such entities.	See comment 265.
294.	XL Capital Ltd	3.45.	<p>Reporting requirements applicable to all undertakings. However proportionality introduces the following differentiation:</p> <ul style="list-style-type: none"> <li>- detail commensurate with nature, scale complexity of risks</li> <li>- not required to fulfil disclosures that are not applicable to them</li> <li>- frequency of full qualitative information through RTS will be linked to intensity of the supervisory Review Process</li> </ul> <p>We agree that this differentiation is very important.</p> <p>Level 1 detail was minimal, and principles based. We have a concern that by the time all EU supervisors add in their requirements the reports will become large and unwieldy, difficult to read, and no longer fit for purpose.</p>	<p>Noted.</p> <p>See comment 269.</p>
295.	AAS BALTA	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	Unless otherwise stated requirements should apply at both solo and group level.
296.	AB Lietuvos draudimas	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
297.	Association of British Insurers	3.46.	The test of materiality is if it could influence the users of the information (in this case the supervisor). It is difficult to determine in advance what the supervisor might view as a material omission and clarity on this would be helpful.	Undertakings should be aware of what is material in relation to its own company.
298.			Confidential comment deleted	
299.	Belgian Coordination Group	3.46.	We agree that the materiality principle sticks to the IFRS definition.	Noted.

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	Solvency II (Assuralia/			
300.	CEA, ECO-SLV- 09-453	3.46.	<p>We agree with the adoption of the IAS definition of materiality.</p> <p>We particularly support the practical implications of having a pre-defined “threshold or cut-off point” relevant for the undertaking, to keep reporting focussed on key risks and issues. This is relevant for both the SFCR and RTS.</p>	Noted.
301.	CRO Forum	3.46.	<p>We agree with the adoption of the IAS definition of materiality and particularly support the practical implications of having a pre-defined “threshold or cut-off point” relevant for the undertaking, to keep reporting focussed on key risks and issues. This is relevant for both the SFCR and RTS.</p> <p>However, further discussion is necessary to establish how materiality might be judged in practice for different measures and in particular contexts. Responsibility for this should remain with the undertaking.</p>	<p>Noted.</p> <p>Noted. This should be part of the dialogue between the supervisor and the undertaking. In future examples could be developed under Level 3.</p>
302.	DENMARK: Codan Forsikring A/S (10529638)	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
303.	Dexia	3.46.	We welcome this notion of materiality. Please note that for banking supervisory reporting no materiality is applicable (whereas this is obviously the case for public annual reporting)	Noted.
304.	European Insurance CFO Forum	3.46.	The CFO Forum agrees with the adoption of the IAS definition of materiality and particularly supports the practical implications of having a pre-defined “threshold or cut-off point” relevant for the undertaking to keep reporting focussed on key risks and issues. This is relevant for both the SFCR and RTS.	Noted.



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305.	European Union member firms of Deloitte Touche To	3.46.	We agree with a clear definition of materiality as provided in the guidance at 3.46-47 but we think that this should be included in the Level 2 advice. We also think that it should state that materiality applies to all of the disclosure requirements - this would then allow the numerous references to materiality found throughout the Level 2 advice, for example at 3.92, to be removed, which would increase clarity.	CEIOPS has included in its advice the definition of materiality. See amended paragraphs
306.	German Insurance Association – Gesamtverb and der D	3.46.	We agree with the adoption of the IAS definition of materiality.  We particularly support the practical implications of having a pre-defined “threshold or cut-off point” relevant for the undertaking, to keep reporting focussed on key risks and issues. This is relevant for both the SFCR and RTS.	Noted.
307.	Groupe Consultatif	3.46.	The materiality principle (c.f. also 3.287) should be accompanied by the principles of relevance and reliability. This would be in line with IFRSs and would concentrate SFCR and RTS to the essentials.  The concept of “material changes” is not clear. While it is consistent with the accounting standard quoted from IFRS this is not applicable to every entity at this time. Further it leaves large room for interpretation and speculation about whether or not decision users would be influenced. This comment applies to the following paragraphs where the word “material” appears. Amplification within professional standards may be desirable.  The definition of materiality also needs to be expanded to clarify how a rather small variance on a large balance sheet item having significant consequences in the income statement can be treated adequately.	CEIOPS agrees but did not feel the need to define relevance and reliability.  Interpretation should be part of the dialogue between the supervisor and the undertaking. In future examples could be develop under Level 3.
308.	International Underwriting Association of London	3.46.	Section 3.2.5: This section defines materiality; we are supportive of this and consider this helpful.	Noted.

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309.	KPMG ELLP	3.46.	<p>Whilst we agree that it is appropriate to align the definition of materiality to that applied to financial statements prepared under IAS/IFRS, additional disclosure considerations are made for regulatory purposes, such as the MCR/SCR breaches. In that respect, we believe the disclosures should refer to any governance implications of any breaches of regulations or breakdowns in internal control and whether these have or could result in losses to policyholders.</p> <p>This would require a different level of materiality from that applying to the financial statements. For example, a policyholder might be interested in items that are material to a specific fund of the (re)insurance undertaking, rather than those that are material to the undertaking as a whole. We recommend that the materiality is judged by reference to the lowest level that is relevant to a user of the information. Detailed guidance would be required in this respect.</p>	<p>Being the materiality defined as a principle and without specific rule this should not be a problem. Interpretation should be part of the dialogue between the supervisor and the undertaking. In future examples could be develop under Level 3.</p>
310.	Link4 Towarzystw o Ubezpieczeń SA	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
311.	Lucida plc	3.46.	It is not clear that defining materiality in the context of one consultation paper is particularly helpful where it is not defined in others. We would prefer a single definition of materiality to hold throughout the whole spectrum of Solvency II regulation. We would point out that it would be helpful for a minimum amount of information to be produced.	Noted. CEIOPS will take this comment into consideration going through the all papers.
312.	Munich RE	3.46.	We think it is appropriate to us the IFRS definition of materiality.	Noted.
313.	NORWAY: Codan Forsikring (Branch Norway)	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.

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	(991 502			
314.	PricewaterhouseCoopers LLP	3.46.	<p>The definition of materiality will be of great importance in setting the scope of disclosure. Supervisors will need to ensure consistency and an appropriate level of materiality across undertakings and, given the aim of harmonised reporting, across territories.</p> <p>Since materiality affects many areas of Solvency II, we would recommend that CEIOPS considers establishing a single principle of materiality to be applied across Solvency II, rather than discussing materiality separately in different consultation papers.</p> <p>We believe that the principle of proportionality should be applied to quantitative reporting templates so that, for example, there is no requirement to separately report immaterial classes of business.</p>	See comment 309 and 311.
315.	RSA Insurance Group PLC	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
316.	RSA Insurance Ireland Ltd	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
317.	RSA - Sun Insurance Office Ltd.	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
318.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.46.	Where supervision is conducted on a group basis, it should be clear that the level of materiality will be determined on the same basis.	See comment 295.
319.	CEA, ECO-SLV-09-453	3.47.	<p>It is surprising that Ceiops does not give any advice as regard the materiality principle.</p> <p>Recital 21 states the following: "In order to guarantee transparency insurance and reinsurance undertakings should publicly disclose at least annually</p>	See comment 305.

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			<p>essential information on their solvency and financial condition.” Ceiops guidelines on “essential information” in the context of group supervision regards information as essential “if it could materially influence [the] assessment of the financial soundness of a insurance or reinsurance undertaking”. Therefore, the Solvency II directive requires taking into account the materiality principle when publishing information.</p> <p>It is key to reduce the reporting burden to an appropriate extent. Volume is not a sign for quality. Reducing the amount of reporting implies to address key issues, i.e. only material information should be required to be provided by undertakings. The concept of materiality is well-known in accounting. The definition suggested will hence not impose difficulties to most of the insurers. We think it is important that materiality for supervisory reporting and public disclosure will differ as the users of the information will differ. It is worth to remind that the RTS should be only used for risk-based decision-making by supervisors.</p> <p>We would like Ceiops to include definition of materiality in the advice:</p> <p>“In analogy to the definition of materiality in accounting it is assumed that information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the SFCR or RTS respectively. Users in the context of the SFCR should be read including policyholders and in the context of the RTS supervisors are regarded as the only users.”</p>	
320.	Dexia	3.47.	<p>Understanding this definition comes from IFRS, we disagree with the use of this definition: or CEIOPS is using the IFRS definition and it is the external auditor to decide the materiality level, or supervisors want to fix this level and should not use the IFRS definition.</p>	<p>CEIOPS believes that a definition of materiality is needed. Interpretation should be part of the dialogue between the supervisor and the undertaking. In future examples could be</p>

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				developed under Level 3.
321.	German Insurance Association – Gesamtverb and der D	3.47.	<p>It is surprising that CEIOPS does not give any advice as regard the materiality principle.</p> <p>Recital 21 states the following: “In order to guarantee transparency insurance and reinsurance undertakings should publicly disclose at least annually essential information on their solvency and financial condition.” CEIOPS guidelines on “essential information” in the context of group supervision regards information as essential “if it could materially influence [the] assessment of the financial soundness of a insurance or reinsurance undertaking”. Therefore, the Solvency II directive requires taking into account the materiality principle when publishing information.</p> <p>It is key to reduce the reporting burden to an appropriate extent. Volume is not a sign for quality. Reducing the amount of reporting implies to address key issues, i.e. only material information should be required to be provided by undertakings. The concept of materiality is well-known in accounting. The definition suggested will hence not impose difficulties to most of the insurers. We think it is important that materiality for supervisory reporting and public disclosure will differ as the users of the information will differ. It is worth to remind that the RTS should be only used for risk-based decision-making by supervisors.</p> <p>We would like CEIOPS to include definition of materiality in the advice:</p> <p>“In analogy to the definition of materiality in accounting it is assumed that information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the SFCR or RTS respectively. Users in the context of the SFCR should be read including policyholders and in the context of the RTS supervisors are regarded as the only users.”</p> <p>Undertakings should be responsible to assess freely the materiality of</p>	<p>See comment 305.</p>

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			information in their company, e. g. based on the individual amount of eligible own funds (see comments to 3.41).	
322.	PricewaterhouseCoopers LLP	3.47.	We note that materiality is defined in terms of the risk-based decisions to be taken by supervisory authorities when performing the SRP. While this aligns materiality with the target audience of the RTS (i.e. the supervisor), there may be an expectation gap in practice, particularly in early years, between the information disclosed by undertakings and the expectations of the supervisors. It will therefore be important for supervisors to clearly indicate the nature and extent of disclosure they require to perform their SRP.	Interpretation should be part of the dialogue between the supervisor and the undertaking. In future examples could be develop under Level 3.
323.	Association of British Insurers	3.49.	Initially, with the requirements being new, if an undertaking is found to not have fully complied with the supervisors requirements there should be some flexibility to address this on an incremental basis rather than being required to re-submit.	Noted. CEIOPS will discuss this.
324.	European Union member firms of Deloitte Touche To	3.49.	The explanatory note states that supervisors will be required to review the SFCR and RTS against the requirements; this is not explicitly documented in the draft Level 2 advice	CEIOPS believes this is already covered by Level 1.
325.	KPMG ELLP	3.49.	See 3.28	Noted.
326.			Confidential comment deleted	
327.	CEA, ECO-SLV-09-453	3.50.	We propose the following redrafting:  "CeIops acknowledges that bringing Pillar III under the supervisory regime including supervisors' reporting is vitally important to a successful Solvency II regime."	PIII includes both the public disclosure and supervisory reporting.
328.	ECIROA	3.51.	Captives should be exempt from the need to complete the SFCR.	Captives are required to complete

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				<p>a Solvency and Financial Condition Report. Recital 10 clarifies that references to insurance and reinsurance undertakings include captives apart from where specific provision is made, and recital 21 suggests that appropriate approaches should be provided for captives in line with the principle of proportionality. Neither of these will allow Level 1 requirements to be switched off and if anything recital 10 would suggest that if that is the intention there would need to be specific provision to that effect that is not present in the Level 1 text.</p>
329.	FERMA (Federation of European Risk Management Asso	3.51.	The frequency (quarterly) of quantitative reporting is considered too high for captives. Once a year should be sufficient considering the nature of captives.	<p>Captives will be required to comply with the requirements. Refer our comments on 328.</p>
330.	AAS BALTA	3.53.	<p>As response to 3.42:</p> <p>We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.</p>	<p>CEIOPS has considered the balance between the requirements for reporting and the principle of proportionality. This resulted in CEIOPS proposals.</p> <p>The exact nature of any risk</p>

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				mitigation could be discussed with the supervisor during the reporting process. As noted in the CP "It is further foreseen that a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor in accordance with Article <del>252</del> 260."
331.	AB Lietuvos draudimas	3.53.	As response to 3.42:  We believe that the proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
332.			Confidential comment deleted	
333.	CRO Forum	3.53.	More discussion is needed on what proportionality will mean in practice.	See Comment on 333
334.	DENMARK: Codan Forsikring A/S (10529638)	3.53.	As response to 3.42:  We believe that the proposals for "solo" entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a "solo" entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
335.	Link4 Towarzystw o	3.53.	As response to 3.42:  We believe that the proposals for "solo" entity reporting within a group	See Comment on 330



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	Ubezpieczeń SA		structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	
336.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.53.	As response to 3.42:  We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
337.	RSA Insurance Group PLC	3.53.	As response to 3.42:  We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
338.	RSA Insurance Ireland Ltd	3.53.	As response to 3.42:  We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
339.	RSA - Sun Insurance Office Ltd.	3.53.	As response to 3.42:  We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual	See Comment on 330

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			guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	
340.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.53.	As response to 3.42:  We believe that the proposals for “solo” entity reporting within a group structure are not commensurate with the objectives of proportionality and efficient group supervision. Where there is substantial risk mitigation at a “solo” entity level (for example, through the use of a deed of mutual guarantee) then the disclosures at individual entity level are superfluous, where reporting on a suitable group basis better represents the risk.	See Comment on 330
341.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.55.	We strongly support the provision that “a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor”.  An equivalent approach should also be adopted for the RTS.	See resolution of comment 344
342.	Association of British Insurers	3.55.	We strongly agree that groups should be allowed to prepare a single, group-wide SFCR. For most major groups this, rather than individual entity SFCR’s, is the document that is likely to be of most use to commentators.	Noted
343.			Confidential comment deleted	
344.	CEA, ECO-SLV- 09-453	3.55.	We strongly support the provision that “a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor”.  For most major groups this, rather than individual entity SFCR’s, is the document that is likely to be of most use to commentators. An equivalent approach should also be adopted for the RTS.	Noted  Disagree – that option is not foreseen in the L1 text in article 258 for the RTS while it is for the SFCR in article 260.
345.	CRO Forum	3.55.	We strongly support the provision that “a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to	See resolution of comment 344

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			provide a single group-wide SFCR subject to the agreement of the group supervisor". It considers that an equivalent approach should also be adopted for the RTS.	
346.	European Insurance CFO Forum	3.55.	<p>The CFO Forum strongly supports a single group-wide SFCR and considers that an equivalent approach should be adopted for the RTS.</p> <p>The CFO Forum strongly supports the provision that "a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor". It considers that an equivalent approach should also be adopted for the RTS.</p>	See resolution of comment 344
347.	German Insurance Association – Gesamtverb and der D	3.55.	<p>We strongly support the provision that "a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor".</p> <p>For most major groups this, rather than individual entity SFCR's, is the document that is likely to be of most use to commentators. An equivalent approach should also be adopted for the RTS.</p>	See resolution of comment 344
348.	Just Retirement Limited	3.55.	<p>Information is appropriate for public disclosure if it is relevant to both the risk involved and the needs of an informed knowledgeable audience. It is necessary to include the principle of materiality and appropriateness in judging the need for public disclosure.</p> <p>Public disclosure will in general provide historic information and high level qualitative information, while more detailed, forward-looking information</p>	<p>CEIOPS considers that Pillar III disclosure requirements reinforce market mechanisms and market discipline. These requirements are intended to allow a clear understanding of the insurance undertaking's solvency and financial condition irrespective of the specific users. See disclosure audience in § 3.58.</p> <p>Noted</p>

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			should remain private as this is likely to be commercially sensitive. These issues have been addressed in this CP.	
349.	Pearl Group Limited	3.55.	We strongly agree that groups should be allowed to prepare a single, group-wide SFCR. For most major groups this, rather than individual entity SFCR's, is the document that is likely to be of most use to commentators.	Noted
350.	XL Capital Ltd	3.55.	See comments in para 2.10.	Noted
351.	AAS BALTA	3.56.	<p>Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42).</p> <p>Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?</p>	<p>With respect to Bullet 6, all information must be provided at an individual level and group level unless otherwise specified. With respect to the SFCR it is noted in the CP "It is further foreseen that a participating insurance or reinsurance undertaking or insurance holding company shall be allowed to provide a single group-wide SFCR subject to the agreement of the group supervisor in accordance with Article 252-260."</p> <p>In relation to Mutual Guarantee see Comment 330</p> <p>In relation to penultimate bullet and 3.64, CEIOPS considered the issue of Hyperlinks and concluded that information can come from other data sources but should be reproduced in the SFCR. Reasons included – hyperlinks go out of date, it is more onerous for any</p>

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				stakeholder to be clicking on multiple hyperlinks, it is more clear to the person responsible for preparing a document if all the material is reproduced within the SFCR, it is unclear which part of a hyperlink is included in the SFCR and which part relates to other material.
352.	AB Lietuvos draudimas	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
353.			Confidential comment deleted	
354.	DENMARK: Codan Forsikring A/S (10529638)	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
355.	KPMG ELLP	3.56.	The seventh bullet refers to CEIOPS advice to the European Commission in March 2007 that 'Disclosures made by insurance undertakings under financial reporting, listing or other legal or regulatory requirements may be relied on to fulfil the equivalent Pillar III public disclosure requirements in order to avoid duplication'. In accordance with this advice it appears appropriate to permit insurance undertakings to cross refer to such information in the SFCR and RTS rather than duplicating the information within these reports.	CEIOPS considered the issue of Hyperlinks and concluded that information can come from other data sources but should be reproduced in the SFCR. Reasons included – hyperlinks go out of date, it is more onerous for any stakeholder to be clicking on multiple hyperlinks, it is more clear to the person responsible for preparing a document if all the material is reproduced within the SFCR, it is unclear which part of a

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				hyperlink is included in the SFCR and which part relates to other material.
356.	Link4 Towarzystwo Ubezpieczeń SA	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
357.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
358.	RSA Insurance Group PLC	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
359.	RSA Insurance Ireland Ltd	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
360.	RSA - Sun Insurance Office Ltd.	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
361.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.56.	Bullet 6 refers to relevance; it is unclear why this is not reflected in the L2 advice. Refer to comments on deed of mutual guarantee (3.42). Penultimate bullet, explain why the 2007 conclusion is not supported in 3.64?	See Comment 351
362.	AAS BALTA	3.58.	To meet the requirements of all the specified user groups would be unduly	CEIOPS has drafted the Level 2

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			burdensome.	requirements in line with the requirements of the Solvency II Directive. The aim of SFCR is to provide relevant information to stakeholders. CEIOPS also notes it would not be possible to produce a document that meets all of the needs of the stakeholders.
363.	AB Lietuvos draudimas	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
364.	Association of British Insurers	3.58.	The proposed audience for the SFCR is very wide. We do not believe that it is possible for a single document to contain information which adequately meets the needs of all of these groups. In particular we do not believe that policyholders should be a major target audience for the SFCR – rather it should be aimed principally at the more specialist audiences (intermediaries, rating agencies, investors etc) envisaged in paragraph 3.58.	See Comment 362
365.	Association of Friendly Societies	3.58.	We do not agree that it is possible for one document to be suitable for the range of target audiences suggested. We consider either that CEIOPS should focus itself on the information which should be provided for supervisory purposes, or consider separately the needs of regulators, business users, policyholders and the general public.	See Comment 362
366.	CEA, ECO-SLV-09-453	3.58.	The proposed audience for the SFCR is very wide.  We do not believe that it is possible for a single document to contain information which adequately meets the needs of all of these groups. In particular we do not believe that policyholders should be a major target audience for the SFCR – rather it should be aimed principally at the more specialist audiences (intermediaries, rating agencies, investors etc) envisaged in paragraph 3.58.	See Comment 362
367.	DENMARK:	3.58.	To meet the requirements of all the specified user groups would be unduly	See Comment 362

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	Codan Forsikring A/S (10529638)		burdensome.	
368.	DIMA (Dublin International Insurance & Management	3.58.	Since captive entities' obligations ultimately rest with their owners, it is questionable whether the SFCR is relevant to captives as the RTS will provide all the necessary information on the captive's business to the supervisors.	Captives are required to complete a Solvency and Financial Condition Report. However, the principle of proportionality will apply.
369.	ECIROA	3.58.	<p>The target audience of the SFCR of a captive would be supervisors, shareholders and policyholders only (shareholders and policyholders are the same). The others listed are not relevant for a captive which supports the argument that captives should be exempt from completing the SFCR but should complete the RTS.</p> <p>Other insurance and reinsurance undertakings and business partners of a captive are receiving the necessary information for security clearance directly from the captive upon request. Supervisors in other jurisdictions than the captive's home jurisdiction can obtain all necessary information from the home jurisdiction supervisor, obviating the need for public disclosure.</p>	Captives are required to complete a Solvency and Financial Condition Report. However, the principle of proportionality will apply.
370.	International Underwriting Association of London	3.58.	The target audience is somewhat diverse and we would question whether for example, rating agencies, supervisors and policyholders will be interested in the same type of information, especially for retail insurance. Furthermore, we would question to what extent such information may be of interest to rating agencies, given that rating agencies tend to provide onsite visits when rating an insurer, although we do recognise that equally they might be interested in this information to perform a comparison. We would also question to what extent this information will be interest to supervisors, given that they will have access to better information through their liaison with other supervisors and supervisory colleges.	See Comment 362
371.	Link4 Towarzystw o	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362



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	Ubezpieczeń SA			
372.	Lucida plc	3.58.	In addition to current policyholders, potential policyholders should also be considered as part of the target audience.	See Comment 362
373.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
374.	OAC Actuaries and Consultants	3.58.	We do not agree that it is possible for one document to be suitable for the range of target audiences suggested. We consider either that CEIOPS should focus itself on the information which should be provided for supervisory purposes, or consider separately the needs of regulators, business users, policyholders and the general public.	See Comment 362
375.	Pearl Group Limited	3.58.	The proposed audience for the SFCR is very wide. We do not believe that it is possible for a single document to contain information which adequately meets the needs of all of these groups. In particular we do not believe that policyholders should be a major target audience for the SFCR – rather it should be aimed principally at the more specialist audiences (intermediaries, rating agencies, investors etc) envisaged in paragraph 3.58.	See Comment 362
376.	PricewaterhouseCoopers LLP	3.58.	<p>The target audience for the SFCR is defined in very wide terms, which may not be appropriate for the form of disclosure. The needs of the different stakeholders included are very different, for example the needs of a policyholder are significantly different from those of a rating agency, and providing information suitable for all stakeholders may result in a very high volume and level of detail of disclosure.</p> <p>Undertakings may not consider it appropriate to be required to target their public disclosure to the needs of other insurance and reinsurance undertakings (except in their capacity as policyholders).</p> <p>CEIOPS may also wish to recognise that the needs of all external</p>	See Comment 362

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			<p>stakeholders do not need to be met by the SFCR, for example undertakings may provide tailored presentations or information to financial analysts or ratings agencies consistent with their own business objectives.</p> <p>However, notwithstanding the above, undertakings should be free to provide within the SFCR information targeted at particular user groups.</p>	
377.	RSA Insurance Group PLC	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
378.	RSA Insurance Ireland Ltd	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
379.	RSA - Sun Insurance Office Ltd.	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
380.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.58.	To meet the requirements of all the specified user groups would be unduly burdensome.	See Comment 362
381.	XL Capital Ltd	3.58.		See Comment 362
382.			Confidential comment deleted	
383.	Lucida plc	3.59.	It would be better to mandate that the disclosure document should be reviewed and approved by the Board.	The Level 2 advice in CP58 requires the administrative or management body of the undertaking to review and approve the SFCR and RTS. The term 'administrative or management body' as stated in the Level 1 text includes the

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				board.
384.	DIMA (Dublin International Insurance & Management	3.60.	Guidance is requested on the extent to which the written policy must be developed.	Paragraphs 3.60-3.70 of CP58 outline the specific principles that should be considered by undertakings in drafting their disclosure policy. The extent to which written policy must be developed will vary from firm to firm depending on their risk profile.
385.	Groupe Consultatif	3.60.	"The policy should detail who is responsible for drafting the disclosures along with those who are responsible for reviewing the disclosures". The actuarial function should be responsible for reviewing all disclosures within the scope of the function.	Noted. The requirement in 3.60 relates to the existence of an independent review. Where the disclosures relate to areas handled by the actuarial function, the same will be reviewed and signed-off by them.
386.	Institut des actuares (France)	3.60.	"The policy should detail who is responsible for drafting the disclosures along with those who are responsible for reviewing the disclosures". Institut des Actuares recommends that the actuarial function should be responsible for reviewing all disclosures within the scope of the function.	See comment on 385.
387.	Association of Friendly Societies	3.61.	We consider that written policy on disclosure is unnecessary. The proposed detail contained in this text is so extensive that any policy document can only repeat its contents.	CEIOPS disagrees with this comment. As already noted in comment 384 above, paragraphs 3.60-3.70 of CP58 outline the specific principles that should be considered by undertakings in drafting their disclosure policy. The extent to which written policy must be developed will vary from firm to firm depending on their risk profile.

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388.	OAC Actuaries and Consultants	3.61.	We consider that written policy on disclosure is unnecessary. The proposed detail contained in this text is so extensive that any policy document can only repeat its contents.	See comment on 387.
389.	PricewaterhouseCoopers LLP	3.62.	"3.2.6" should read "3.2.5".	Agreed.
390.	Association of British Insurers	3.63.	This response covers paragraphs 3.63-3.65. We agree that undertakings should not be required to duplicate information in their SFCR that is available elsewhere. We do not, therefore, agree with CEIOPS's view in paragraphs 3.64 and 3.65 that this information to be replicated in full in the SFCR.	CEIOPS disagrees with this comment. Making use of or referring to equivalent information is not the same as using hyperlinks in the SFCR document. Hyperlinks are not considered by CEIOPS to provide easy access to the specific disclosure requirement in SFCR. To the extent hyperlinks are considered as the only source of reference, firms are required to replicate in full the equivalent information. CEIOPS does not consider the replication process to be resource demanding as it only involves extracting information from the same source systems within the undertaking.
391.	CEA, ECO-SLV-09-453	3.63.	We stress that the Level 1 text permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures.	See comments in 390.

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			We do not, therefore, agree with Ceiops' view in paragraphs 3.64 and 3.65 that this information to be replicated in full in the SFCR.	
392.	CRO Forum	3.63.	We note that the Level 1 text permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures. Paragraph 3.64 is inconsistent with this.	See comments in 390.
393.	Danish Insurance Association	3.63.	The resistance towards the use of hyperlinks in the SFCR contradicts the possibilities to refer to public disclosures made under other legal or regulatory requirements outlined in Article 52 (3) of the directive. It is unnecessarily resource demanding to repeat information already published in annual reports or elsewhere. (This remark also relates to 3.64 and 3.65)	See comments in 390.
394.	European Insurance CFO Forum	3.63.	Paragraph 3.64 is inconsistent with this paragraph.  The CFO Forum notes that the Level 1 text permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures. This is inconsistent with paragraph 3.64 which requires replication of such information in full.	See comments in 390.
395.	Groupe Consultatif	3.63.	We assume that this would include most obviously information contained in the annual report and accounts of the undertaking. It would not seem appropriate that such information should be repeated in the SFCR.	See comments in 390.
396.	Legal & General Group	3.63.	We support this	Noted.
397.	Munich RE	3.63.	Munich Re notes that the Level 1 text permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures. Paragraph 3.64 is inconsistent with this.	See comments in 390.
398.	Pearl Group Limited	3.63.	This response covers paragraphs 3.63-3.65. We agree that we should not be required to duplicate information in their SFCR that is available elsewhere.	See comments in 390.

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			We do not, therefore, agree with CEIOPS's view in paragraphs 3.64 and 3.65 that this information to be replicated in full in the SFCR.	
399.	AAS BALTA	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
400.	AB Lietuvos draudimas	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
401.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.64.	See comment to 3.74.	See comments in 390.
402.	Association of Friendly Societies	3.64.	While we accept the point that documents should be stand-alone and not use hyperlinks the amount of overlap between the SFCR and the supervisory report will mean that the duplication is very extensive. This suggests that the SFCR may contain far too much detail which need only be provided to the supervisor. A separate document containing much less detail could then be available for users other than the supervisor.	See comments in 390. CEIOPS disagrees with this comment as it considers the full set of SFCR with all the disclosures to be made available both publicly and to supervisors without any modification.
403.			Confidential comment deleted	
404.	CEA, ECO-SLV-09-453	3.64.	See comment to 3.74.	See comments in 390.
405.	CRO Forum	3.64.	We note that the proposal made here is inconsistent with the Level 1 text as described in paragraph 3.63. We are concerned about the considerable	See comments in 390.

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			<p>duplication of reporting effort and administrative checking that would be required to make the SFCR a stand-alone document. We argue that it should be allowed to refer to content from other publicly available communication material as appropriate.</p> <p>A possibility to take seriously would be to make the SFRC part of the annual financial statements, in view of the considerable synergies which could be achieved.</p>	Noted but only to the extent the annual accounts are publicly available in a website.
406.	DENMARK: Codan Forsikring A/S (10529638)	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	Noted. See comments in 390.
407.	European Insurance CFO Forum	3.64.	<p>The proposal is inconsistent with the corresponding Level 1 text. Full replication of publicly available information, in the SFCR, should be undertaken when the information is not easily accessible.</p> <p>The CFO Forum notes that the proposal made here is inconsistent with the Level 1 text as described in paragraph 3.63. Article 52(3) in the Level 1 text permits undertakings to, in the SFCR, to “make use of - or refer to” equivalent information already available in the public domain. To avoid an additional significant burden on undertakings or groups, we would recommend the possibility to refer to such information in the disclosure documents, at least if such is readily accessible, rather than having to “replicate such information in full” as stated in 3.74.</p> <p>Article 50(1) of the Level 1 text states about the SFCR: “That report shall contain the following information, either in full or by way of references to equivalent information, both in nature and scope, disclosed under other legal or regulatory requirements”.</p> <p>We are strongly opposed to CEIOPS view expressed in 3.64 and 3.74 that the information supplied to CEIOPS shall be “replicated in full”. This contradicts the intentions of the Level 1 text.</p>	See comments in 390.

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408.	Groupe Consultatif	3.64.	We do not agree – cross-referencing or hyperlinks are much better because the reader knows where he or she stands.	See comments in 390.
409.	Investment & Life Assurance Group (ILAG)	3.64.	The production of the annual information within 3 or 4 months should be possible as, although the quantity of information has increased, within the UK undertakings currently complete regulatory reports within this timescale.  The deadline for the quarterly templates is unreasonable. Although the quarterly templates will not be as extensive as the annual templates the work required to produce them will not be significantly less and the 3 to 4 week deadline will be challenging and take significant resource.	The comment here does not relate to para 3.64 of CP58. Refer our responses to comment 2.344.
410.	KPMG ELLP	3.64.	See 'General comment'	Noted. See comments in 390.
411.	Legal & General Group	3.64.	This contradicts 3.63	See comments in 390.
412.	Link4 Towarzystwo Ubezpieczeń SA	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
413.	Lloyd's	3.64.	See comment to 3.74.	See comments in 390.
414.	Munich RE	3.64.	Level 1 text (Article 50 (1) as well as Article 52 (3)) permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures. Referencing, and thus hyperlinks, is an explicit option granted by the directive, making replication in full unnecessary. Paragraph 3.64 is inconsistent with this.	See comments in 390.
415.	NORWAY: Codan Forsikring (Branch	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.



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	Norway) (991 502			
416.	OAC Actuaries and Consultants	3.64.	While we accept the point that documents should be stand-alone and not use hyperlinks the amount of overlap between the SFCR and the supervisory report will mean that the duplication is very extensive. This suggests that the SFCR may contain far too much detail which need only be provided to the supervisor. A separate document containing much less detail could then be available for users other than the supervisor.	See comments in 402.
417.	Pricewaterho useCoopers LLP	3.64.	<p>The requirement to replicate equivalent information in full in the SFCR goes beyond the Level 1 text which permits undertakings to 'refer to' equivalent information without any requirement that it must be reproduced in full. This requirement may remove the benefit to undertakings of being able to refer to information reported elsewhere and will result in a much greater volume of disclosure and repetition between documents. We believe consideration should be given to allowing the inclusion of material by cross reference, as permitted by the Level 1 Directive, potentially with prior agreement of the supervisor.</p> <p>If CEIOPS does not recommend the ability to include material by cross reference it should clarify whether it will be acceptable for undertakings to replicate information in its original form and format, for example, would it be acceptable to include copies of pages from statutory accounts where these contains equivalent information, or would the information have to be reworded (as may be implied by paragraph 3.283 where there is a change in target audience).</p> <p>This comment applies also to paragraph 3.288</p>	<p>See comments in 390.</p> <p>To the extent information from other sources meet the disclosure requirements in SFCR, it will be acceptable for undertakings to replicate information in its original form and format.</p>
418.	RSA Insurance Group PLC	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
419.	RSA Insurance Ireland Ltd	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report	See comments in 390.

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			rather than duplicate.	
420.	RSA - Sun Insurance Office Ltd.	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
421.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.64.	We do not support the view that hyperlinks should not be used, where good disclosure already occurs in results (but agree that links should not be overly used). Also we must insist that solo reports can refer to the Group report rather than duplicate.	See comments in 390.
422.	XL Capital Ltd	3.64.	See comment on para 2.2.	See comments in 390.
423.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.65.	See comment to 3.74.	See comments in 390.
424.				
425.	CEA, ECO-SLV-09-453	3.65.	See comment to 3.74.	See comments in 390.
426.	DIMA (Dublin International Insurance & Management	3.65.	If the SFCR is required for captives, then it should be possible to refer to relevant sections of the RTS rather than duplicating.	CEIOPS is not sure how reference to RTS that is not a public document will result in public disclosure.
427.	European	3.65.	Comments in 3.64 are also relevant here.	See comments in 390.

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	Insurance CFO Forum			
428.	Groupe Consultatif	3.65.	We respectfully disagree, but look forward to understanding the views of stakeholders more generally.	See comments in 390.
429.	KPMG ELLP	3.65.	We agree that (re)insurance undertakings/insurance groups should be permitted to include reference to other public disclosures to provide further information in addition to that required in the SFCR.	Noted.
430.	Lloyd's	3.65.	See comment to 3.74.	See comments in 390.
431.	PricewaterhouseCoopers LLP	3.65.	See comments on 3.64	See comments in 390.
432.	AAS BALTA	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	CEIOPS disagrees with this comment as the Level 1 text in Article 50(2) is already clear on the requirement to disclose capital add-on. During the transitional period of five years starting 31 October 2012, supervisors will have an option requiring firms to disclose the capital add-on separately or not. After this transitional period, it is mandatory for all firms to publicly disclose their capital add-ons.
433.	AB Lietuvos draudimas	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
434.			Confidential comment deleted	
435.	CEA, ECO-SLV-	3.67.	The prior permission of disclosure of specific information should not be one-way. The supervisor should also discuss with the insurer when specific information is to be disclosed by the supervisor which is not normally part of	Noted.

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	09-453		<p>the SFCR. See comments to 3.68 and 3.76.</p> <p>The level 1 text does not imply a prior permission of the supervisory authority for disclosure of certain information. It just stipulates to ask for permission if non-disclosure of certain information is intended (Art. 52 para 1 a, b). Public disclosure of any confidential information sent by the supervisory authority to the undertaking should not require prior permission.</p>	CEIOPS disagrees with this comment. See comments in 434.
436.	CRO Forum	3.67.	<p>Refers also to 3.76</p> <p>We are concerned that the prior permission for disclosure of specific information should not be one-way. The supervisor should also discuss with the undertaking whenever specific information is to be disclosed by the supervisor which is not normally part of the SFCR.</p> <p>In addition, it is unclear why supervisory approval is required to publicly disclose confidential information if that information is already disclosed to the regulator. The regulator should not have the power to decide what additional information firms can disclose publicly.</p>	<p>See comments in 434.</p> <p>See comments in 434.</p>
437.	DENMARK: Codan Forsikring A/S (10529638)	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
438.	DIMA (Dublin International Insurance & Management	3.67.	There may be some information relating to the captive that the parent may consider confidential and not want to disclose to competitors in an SFCR.	Noted. The undertaking concerned should disclose the justification for not providing a particular disclosure.
439.	Groupe Consultatif	3.67.	It is not clear to us, and seems to indicate a lack of balance, why a duty of confidentiality in respect of supervisor judgements should exist.	See comments in 434.

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440.	Just Retirement Limited	3.67.	<p>Public disclosure should not put at stake the confidentiality principle and certain pieces of information, which are commercially sensitive, should remain private between firm and supervisor. We are pleased that this has been addressed in this paragraph.</p> <p>Further, the confidentiality principle should prevail over the need of public disclosure. To this end article 52 of the Framework Directive recognised the possibility of not disclosing information under some circumstances. A company should not disclose information on business conditions or business situations if it is of vital economic importance for the company that the information is not disclosed. For example, disclosures should not normally reveal individual pricing decisions on exposures.</p>	<p>Noted.</p> <p>Noted.</p>
441.	KPMG ELLP	3.67.	We agree that supervisory confidential information should not be disclosed without specific prior approval from the supervisory authority concerned.	Noted.
442.	Link4 Towarzystw o Ubezpieczeń SA	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
443.	Munich RE	3.67.	The prior permission of disclosure of specific information should not be one-way. The supervisor should also discuss with the insurer if specific information is to be disclosed by the supervisor which is not normally part of the SFCR.	Noted.
444.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
445.	RSA Insurance Group PLC	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.

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446.	RSA Insurance Ireland Ltd	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
447.	RSA - Sun Insurance Office Ltd.	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
448.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.67.	It is not considered appropriate to publically disclose the requirement to hold a capital add-on.	See comments on 432.
449.			Confidential comment deleted	
450.	CEA, ECO-SLV-09-453	3.68.	Public disclosure of confidential information, whether sent by the supervisory authority to the undertaking or not, should be allowed, without prior permission from the supervisory authority, to the extent required by law, regulation, court order, or by the rules of any applicable stock exchange or similar.  See comments to 3.67 and 3.76.	See comments on 449.
451.	CRO Forum	3.68.	Refers also to 3.77  We argue that public disclosure of confidential information, whether sent by the supervisory authority to the undertaking or not, should be allowed, without prior permission from the supervisory authority, to the extent required by law, regulation, court order, or by the rules of any applicable stock exchange or similar as permitted by Article 53 (2).  Article 53(2) permits undertakings to disclose on a voluntary basis any information related to their solvency and financial condition – if not already disclosed. CEIOPS suggests limiting this Level 1 privilege and requires a permission from supervisor to disclose confidential information sent by the	See comments on 449.

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			supervisor to the undertaking. This is a deviation from the Level 1 text.	
452.	German Insurance Association – Gesamtverb and der D	3.68.	Public disclosure of confidential information, whether sent by the supervisory authority to the undertaking or not, should be allowed, without prior permission from the supervisory authority, to the extent required by law, regulation, court order, or by the rules of any applicable stock exchange or similar.  See comments to 3.67 and 3.76.	See comments on 449.
453.	Groupe Consultatif	3.68.	We prefer 'notify' to 'agree this situation with'	Noted,
454.	Lucida plc	3.68.	It is conceivable that an undertaking would not be in a position to agree a situation with the supervisor before disclosure. Better wording would be to require the undertaking to make all reasonable efforts to satisfy themselves that they must comply with the legal requirements, and where possible, they should notify the supervisory authority prior to disclosure.  This comment also relates, in part, to 3.76	Noted, See comments on 449.
455.	Munich RE	3.68.	Public disclosure of confidential information, whether sent by the supervisory authority to the undertaking or not, should be allowed, without prior permission from the supervisory authority, to the extent required by law, regulation or court order, or by the rules of any applicable stock exchange or similar.	See comments on 449.
456.	PricewaterhouseCoopers LLP	3.68.	There may be disclosure obligations imposed on undertakings other than those that are listed or that have access to capital markets. In particular, accounting requirements may require certain disclosures (e.g. IAS 1 requires details of the consequences of non-compliance with externally imposed capital requirements and IAS 37 requires details of contingent liabilities (which may include potential liabilities arising from supervisory action)).  In addition, there be other circumstances in which disclosure is required (e.g. to law enforcement agencies)	Noted. See comments on 449.

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			As a result the considerations in this paragraph are relevant to all undertakings not just those that are listed or have access to capital markets.	
457.	PricewaterhouseCoopers LLP	3.69.	The disclosure policy may also usefully include which information will not be published by an undertaking based on the principle of proportionality and materiality.	Noted.
458.	PricewaterhouseCoopers LLP	3.70.	This is relevant in the context of qualitative reporting as well as quantitative reporting templates.	Noted.
459.	Association of British Insurers	3.71.	This response covers paragraphs 3.71 to 3.77. These requirements appear satisfactory except that, as noted in our response to paragraphs 3.63 above, we do not believe that it should be necessary to replicate in full in the SFCR information available elsewhere.	Noted.
			The reference to information being 'complete' should be clarified to make clear that this does not require the publication of immaterial information.	Noted.
460.	Pearl Group Limited	3.71.	The reference to information being 'complete' should be clarified to make clear that this does not require the publication of immaterial information.	Noted.
			This response covers paragraphs 3.71 to 3.77. These requirements appear satisfactory except that, as noted in our response to paragraphs 3.63 above, we do not believe that it should be necessary to replicate in full in the SFCR information available elsewhere.	Noted.
461.	PricewaterhouseCoopers LLP	3.71.	We assume that 'governance procedures' includes internal controls, and would welcome clarification of this point.	Yes. Governance procedure includes internal controls and systems as well.
462.	ROAM (Réunion des Organismes d'Assurance)	3.71.	CEIOPS asks for a 'complete, consistent and accurate' communication by the undertaking about its current governance procedures and practices.  ROAM thinks the term "complete" is inappropriate and it would be more effective to communicate on the guidelines about governance rather than on the implementation details.	CEIOPS disagrees with this comment. The completeness of governance procedures covers all the risk relevant to the undertaking based on its risk



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	Mutue			profile.
463.	XL Capital Ltd	3.71.	... so that the information disclosed is complete, consistent and accurate. Complete suggests “all” information – should be just relevant information.	See comment 462. Completeness here refers to all the risk relevant to the undertaking based on its risk profile.
464.	ROAM (Réunion des Organismes d'Assurance Mutue	3.72.	ROAM would like to know what CEIOPS understands exactly by ‘ written policy ‘	Written policy means policy that is written down, documented and reviewed by the administrative or management body of the undertaking.
465.	CEA, ECO-SLV-09-453	3.73.	We welcome this possibility to make a company definition of material issues and would see this in connection to paragraph 3.46.	Noted.
466.	European Insurance CFO Forum	3.73.	The CFO Forum supports the points made in this paragraph.	Noted.
467.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.74.	Requiring full replication of information contained in other domains is a deviation from the Level 1 text.	See comments in 390.
468.			Confidential comment deleted	
469.	CEA, ECO-SLV-09-453	3.74.	Requiring full replication of information contained in other domains is a deviation from the Level 1 text.  Article 52(3) in the Level 1 text permits undertakings to, in the SFCR, to “make use of - or refer to” equivalent information already available in the	See comments in 390.

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			<p>public domain.</p> <p>Article 50(1) of the Level 1 text states about the SFCR: "That report shall contain the following information, either in full or by way of references to equivalent information, either in full or by way of references to equivalent information, both in nature and scope, disclosed under other legal or regulatory requirements".</p> <p>We are strongly opposed to Ceiops view expressed in 3.64 and 3.74 that the information supplied to Ceiops shall be "replicated in full". To avoid an additional significant burden on undertakings or groups, we would recommend the possibility to refer to such information in the disclosure documents, at least if such is readily accessible.</p> <p>The expectation of Ceiops will lead to the drafting of equivalent documents like the annual report and financial statements and the SFCR. For the banking sector the form and means by which the information is disclosed is left to the entity. Thus they are able to have this pillar III format as part of the financial statements and therefore avoid duplication and cost of preparing and auditing the information twice.</p> <p>This comment is also valid for 3.65 and 3.74.</p>	
470.	CRO Forum	3.74.	<p>We note that the proposal made here is inconsistent with the Level 1 text (Article 52). We are concerned about the considerable duplication of reporting effort and administrative checking that would be required to make the SFCR a stand-alone document. We argue that it should be allowed to refer to content from other publicly available communication material as appropriate.</p>	See comments in 390.
471.	European Insurance CFO Forum	3.74.	<p>Existing public disclosures provided by the undertaking should be referred to in the SFCR and RTS disclosures consistent with the Directive.</p> <p>Given the technologies available it is inappropriate to propose that the same information should be repeated in three or four different reports and that all</p>	Noted. See comments in 390.

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			<p>should be available in hardcopy in any circumstances.</p> <p>To be consistent with the Directive, insurers should be able to rely on existing public disclosures, without copying, subject to sufficient explanation of timing differences and reconciliation features.</p>	
472.	FFSA	3.74.	<p>The CEIOPS requires that undertakings and groups shall ensure that information already available in the public domain is replicated in full in the undertaking or the group's disclosure document to avoid hyperlinks to the equivalent information.</p> <p>FFSA disagrees with this requirement because it considers that the replication is costly and without benefit. As the document will be available electronically, FFSA thinks that it would be easier to have a hyperlink to these documents, to be sure that they are correctly updated and to avoid burdensome work. In deed, FFSA notices that is not always possible to copy-paste these documents and recopy them entirely would be too burdensome.</p>	See comments in 390.
473.	German Insurance Association – Gesamtverb and der D	3.74.	<p>Requiring full replication of information contained in other domains is a deviation from the Level 1 text.</p> <p>Article 52(3) in the Level 1 text permits undertakings to, in the SFCR, to “make use of - or refer to” equivalent information already available in the public domain.</p> <p>Article 50(1) of the Level 1 text states about the SFCR: “That report shall contain the following information, either in full or by way of references to equivalent information, either in full or by way of references to equivalent information, both in nature and scope, disclosed under other legal or regulatory requirements”.</p> <p>We are strongly opposed to CEIOPS view expressed in 3.64 and 3.74 that the information supplied to CEIOPS shall be “replicated in full”. To avoid an additional significant burden on undertakings or groups, we would recommend the possibility to refer to such information in the disclosure documents, at least if such is readily accessible.</p>	See comments in 390.

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			<p>The expectation of CEIOPS will lead to the drafting of equivalent documents like the annual report and financial statements and the SFCR. For the banking sector the form and means by which the information is disclosed is left to the entity. Thus they are able to have this pillar III format as part of the financial statements and therefore avoid duplication and cost of preparing and auditing the information twice.</p> <p>This comment is also valid for 3.65 and 3.74.</p>	
474.	Groupe Consultatif	3.74.	<p>This paragraph seems to be in conflict with article 52 (3) of the level 1 text. We think that hyperlinks and references should be permitted in line with the level 1 text</p>	See comments in 390.
475.	KPMG ELLP	3.74.	See 'General comment'	Noted.
476.	Lloyd's	3.74.	<p>We do not agree with this proposal. Requiring full replication of information already available elsewhere is a costly and unnecessary exercise. Undertakings should be able to draw attention to the disclosures contained within documents such as their financial statements to meet the SFCR requirements.</p>	See comments in 390.
477.	Munich RE	3.74.	<p>Level 1 text (Article 50 (1) as well as Article 52 (3)) permits undertakings to make use of – or refer to – information already available in the public domain in order to ensure that there is no duplication of effort for undertakings in producing these (SFCR) disclosures. Referencing, and thus hyperlinks, is an explicit option granted by the directive, making replication in full unnecessary. Paragraph 3.74 is inconsistent with this.</p>	See comments in 390.
478.	ROAM (Réunion des Organismes d'Assurance Mutue	3.74.	<p>CEIOPS requires that undertakings and groups shall ensure that information already available in the public domain are fully incorporated in the undertaking or the group's disclosure document to avoid hyperlinks to the equivalent information.</p> <p>ROAM considers it is important for undertakings to have the possibility to make reference in the SFCR to other documents without needing to copy information already existing. The replication is costly and counterproductive,</p>	See comments in 390.

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			generating on one hand a supplementary administrative heaviness for the undertaking and on the other hand, a complexity of reading for the public and so opposed to the transparency objective. Article 50 (1) of the Directive goes in this way 'that report shall contain the following information, either in full or by way of references to equivalent information'.	
479.	XL Capital Ltd	3.74.	See comment on para 2.2.	See comments in 390.
480.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.75.	Undertakings should be free to publish information on a voluntary basis taking into account different time horizons than in the mandatory disclosure. We ask for "at the same date" to be deleted.	CEIOPS disagrees with this comment. The advice refers to consistency between information disclosed in SFCR voluntarily that coincides with information reported to supervisors for the same date and period.
481.	CEA, ECO-SLV-09-453	3.75.	Undertakings should be free to publish information on a voluntary basis taking into account different time horizons than in the mandatory disclosure. We ask for "at the same date" to be deleted.	See comments on 480.
482.	German Insurance Association – Gesamtverband der D	3.75.	Undertakings should be free to publish information on a voluntary basis taking into account different time horizons than in the mandatory disclosure. We ask for "at the same date" to be deleted.	See comments on 480.
483.			Confidential comment deleted	
484.	CEA, ECO-SLV-09-453	3.76.	See comments on 3.67 and 3.68.  In addition, Article 53 (2) permits undertakings to disclose on a voluntary basis any information related to their solvency and financial condition – if not already disclosed. Ceiops suggests limiting this Level 1 privilege and requires	See comments on 434.

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			a permission from supervisor to disclose confidential information sent by the supervisor to the undertaking. This is a deviation from the Level 1 text.	
485.	CRO Forum	3.76.	See comment to 3.67.	See comments on 434.
486.	Danish Insurance Association	3.76.	Article 53 (2) permits undertakings to disclose on a voluntary basis any information related to their solvency and financial condition – if not already disclosed. CEIOPS suggests limiting this level 1 privilege and requires a permission from supervisor to disclose confidential information sent by the supervisor to the undertaking. We find that this contradicts the level 1 text. Due to the lack of definition of “confidential information” there is a possibility that undertakings will lose the right of disposal of information regarding their own business. Therefore we suggest that permission shall only be required if information regards supervisory assessments. This way company specific data and other company specific information is still mainly controlled by the undertakings themselves.	See comments on 434.
487.	European Insurance CFO Forum	3.76.	Companies should be permitted to disclose information provided by the supervisor.  Public disclosure of confidential information sent by the supervisory authority to the undertaking should be allowed, without prior permission from the supervisory authority, to the extent required by law, regulation, court order, or by the rules of any applicable stock exchange or similar.	See comments on 434.
488.	German Insurance Association – Gesamtverb and der D	3.76.	See comments on 3.67 and 3.68.  In addition, Article 53 (2) permits undertakings to disclose on a voluntary basis any information related to their solvency and financial condition – if not already disclosed. CEIOPS suggests limiting this Level 1 privilege and requires a permission from supervisor to disclose confidential information sent by the supervisor to the undertaking. This is a deviation from the Level 1 text.	See comments on 434.

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489.	Groupe Consultatif	3.76.	See comment on 3.67	See comments on 434.
490.	Legal & General Group	3.76.	This should only be done to meet any legal/regulation purpose	See comments on 434.
491.	Munich RE	3.76.	Article 53 (2) permits undertakings to disclose on a voluntary basis any information related to their solvency and financial condition – if not already disclosed. 3.76 is therefore not in line with Level 1 text.	See comments on 434.
492.	PricewaterhouseCoopers LLP	3.76.	As set out in our comments to paragraph 3.68 there may be other legal or regulatory requirements that lead to disclosure of supervisory information being required. We do not believe insurers should be put in a position where they are unable to meet other legal or regulatory requirements by virtue of supervisory permission being withheld. As a result we believe that, in the absence of compelling reasons to the contrary, supervisors should grant permission for disclosure where, and to the extent, it is necessary for an insurer to meet a legal or regulatory requirement.	Noted. See comments on 434.
493.	CEA, ECO-SLV-09-453	3.77.	Non-disclosure because of confidentiality will be not be so exceptional – there will be areas where we expect that non-disclosure should be allowed on a regular basis (e. g. information as regards reinsurance contracts is confidential).  We would like the word “specific” to be deleted.	Noted.
494.	CRO Forum	3.77.	See comment to 3.68	See comments on 434.
495.	Dexia	3.77.	We want to highlight the importance of keeping a certain degree of confidentiality. We also believe that it is the entity to decide which information is confidential or not for public disclosures. Supervisors should be allowed, ex-post but not ex-ante, to ask for the reason for non disclosing any information.	See comments on 434.
496.	European	3.77.	We suggest the word “specific” be removed.	Noted.

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497.	German Insurance Association – Gesamtverb and der D	3.77.	<p>Non-disclosure because of confidentiality will be not be so exceptional – there will be areas where we expect that non-disclosure should be allowed on a regular basis (e. g. information as regards reinsurance contracts is confidential).</p> <p>We would like the word “specific” to be deleted.</p>	Noted.
498.	Munich RE	3.77.	<p>Non-disclosure will be not be irregular (e. g. information as regards reinsurance contracts is confidential).</p> <p>delete “specific”</p>	Noted.
499.	Pearl Group Limited	3.77.	Materiality rules should apply to this paragraph.	Noted.
500.	XL Capital Ltd	3.77.	<p>Non-disclosure of information in specific cases, as provided for in Article 52 of the Level 1 text, shall be permitted by eh supervisory authority, and explicitly mentioned, along with ints reasons in the SFCR. The decision on permission should be made following an explicit request by the undertaking or the group to the supervisory authority.</p> <p>Article 52</p> <p>“Supervisory authorities shall permit insurance and reinsurance undertakings not to disclose information in the following cases:</p> <p>a) if by disclosing such information, the competitors of the undertaking gain a significant undue advantage;</p> <p>b) if there are obligations to policyholders of other counterparty relationships binding an undertaking to secrecy or confidentiality”</p> <p>We welcome the degree of flexibility introduced by this paragraph. We wonder however how easy it will be for undertakings to invoke this clause to</p>	CEIOPS expects undertakings to identify disclosures that are propreitory and confidential and justify the reasons for non-



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			restrict disclosure. We would like to better understand from CEIOPS what is going to be done to ensure that a level playing field exists across the EU for matters of disclosure?	disclosure.
501.			Confidential comment deleted	
502.	CRO Forum	3.78.	We are concerned that the SFCR disclosure requirements for internal models are excessive and include commercially sensitive information.	
503.	European Union member firms of Deloitte Touche To	3.78.	3.78-3.82, requirements around transparency, disclosure and approval of internal models do not appear to be reflected in the draft Level 2 advice.	
504.	Lucida plc	3.78.	We disagree with the view that failure to disclose detailed information on internal models will result in lost credibility. There is a significant risk that by providing details around complex models there will be a loss of confidence by users who are not familiar with the concepts used. CEIOPs or the industry should develop a template of key information which will effectively communicate risks and sensitivities.	
505.	Groupe Consultatif	3.79.	It would be to mutual advantage if the industry, professions, and supervisor community could work together to develop model disclosures.	
506.	International Underwriting Association of London	3.79.	We have concerns as to how this is going to work in practice. We find it hard to reconcile how you can have genuine disclosure whilst also protecting commercial sensitivity. Paragraphs 3.145 and 3.146 detail some items about risk exposures, risk limits, and risk concentrations which can be commercially sensitive information. It needs to be ensured that any information that is required for disclosure is useful to target audience, whilst ensuring commercial sensitivity and confidentiality is upheld. We would discourage the publication of anodyne text which is does not provide useful information to the target audience.	
507.	PricewaterhouseCoopers	3.79.	Clarification should be given as to what would be considered as "relevant professional standards" as referred to in this paragraph (for example,	

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	LLP		standards for the actuarial function, standards for technical provisions).	
508.				
509.			Confidential comment deleted	
510.	Belgian Coordination Group Solvency II (Assuralia/	3.82.	An evaluation of the relevance and the quality of a IFRS 7 from a regulator point of view should be made.	Noted
511.	CEA, ECO-SLV- 09-453	3.82.	We note that for listed companies the “the public disclosure requirements related to the solvency framework add to the existing requirements under IAS 1 for capital disclosure and IFRS 4 and IFRS 7 for general disclosure.” We would strongly argue that any additional information requirement should be kept to a minimum and that the SFCR information should be consistent with financial reporting requirements.	Noted
512.	CRO Forum	3.82.	We note that for listed companies the “the public disclosure requirements related to the solvency framework add to the existing requirements under IAS 1 for capital disclosure and IFRS 4 and IFRS 7 for general disclosure.” The Forum would strongly argue that any additional information requirement should be kept to a minimum and evidenced by a rigorous cost benefit analysis, and that SFCR information should be consistent with financial reporting requirements. Reference to the annual financial report should be acceptable. It would be possible to combine the SRCR with the annual financial report.	Noted
513.	European Insurance CFO Forum	3.82.	Additional information requirements should be kept to a minimum and the SFCR information should be consistent with financial reporting requirements.  The CFO Forum appreciates that for listed companies the public disclosure requirements related to the solvency framework add to existing requirements under IAS 1 for capital disclosure and IFRS 4 and IFRS 7 for general disclosure.	Noted

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			Additional information requirements should be kept to a minimum and the SFCR information should be consistent with financial reporting requirements.	
514.	Groupe Consultatif	3.82.	( cf. 3.152 d ii 3.169 f) The different position of those undertakings not subject to IFRS reporting needs also to be considered.	Noted
515.	International Underwriting Association of London	3.82.	This paragraph refers to disclosure as being in addition to that required by IAS 1, IFRS 4, IFRS 7, for listed insurance undertaking. However, we feel it worth pointing out that IFRS Phase 2 is still uncertain, with an exposure draft not due until later this year. Inevitably, this means that the disclosure required by IFRS 4 Phase 2 and the disclosure required in this paper cannot be compared. As many firms will need to comply with both IFRS and Solvency II, we believe that where possible, CEIOPS should seek to avoid imposing disclosure requirements which are incompatible with IFRS 4 phase 2.	Noted
516.	KPMG ELLP	3.82.	We agree that the SFCR disclosure requirements add to the existing statutory accounts reporting requirements for listed insurers, but would also add that this is also true for unlisted insurers whether preparing accounts under IFRS or local GAAP.	Noted
517.	Legal & General Group	3.82.	These should be minimised except that a firm may choose to issue more information due to external factor (analysts needs). The key point is that information so released should not automatically be assumed to be released for each year going forward	Noted
518.	Munich RE	3.82.	Again we stress the need to allow references to public disclosures if they include the necessary information. SFCR information should be consistent with financial reporting requirements; any additional information requirement should be kept to a minimum.	Noted
519.	XL Capital Ltd	3.82.	<p>"It should be recognised that for listed insurance and reinsurance undertakings the public disclosure requirements related to the solvency framework add to the existing requirements under IAS 1 for capital disclosure and IFRS 4 and IFRS 7 for general disclosure."</p> <p>This appears to contradict 3.63.</p>	Noted

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520.	ACORD	3.83.	CEIOPS' goal of being able to compare and contrast the disclosures of different undertakings, will be aided by the definition of a voluntary data standard for Solvency II purpose, being as much as possible compatible with existing data standards, as well as common reporting format.	Noted.
521.	KPMG ELLP	3.84.	We agree that is appropriate to require a common structure to the SFCR and this would benefit all parties involved (undertakings and users).	Noted.
522.	AAS BALTA	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	CEIOPS believes that the structure proposed in CP58 applies equally to solo undertakings and group undertakings. The extent to which the contents will be disclosed may vary but the structure remains the same in principle.
523.	AB Lietuvos draudimas	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	See comments in 522.
524.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.86.	<p>We have a number of comments on the structure of the SFCR.</p> <p><input type="checkbox"/> The SFCR should contain only information not already disclosed in the financial statement.</p>	CEIOPS disagrees with this comment. The SFCR is expected to provide full set of disclosures as required by the Level 1 text. Where similar disclosures in both nature and scope are already made elsewhere in public domain, the same can be used or referred to without using hyperlinks.



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525.	ACORD	3.86.	Much of this information is already today produced for annual report documents, risk reports, compliance and audit reports etc., so it could/should potentially be reused. Use of best practices data modeling standards ensures that opportunities for reuse are exploited.	Noted.
526.	Association of British Insurers	3.86.	<p>The proposed structure of the SFCR appears largely satisfactory. However, it will be particularly important that firms are able to draw up this report in a proportionate and tailored way so as to ensure that only relevant information at an appropriate level of detail needs to be submitted. We are concerned that much of the subsequent discussion suggests that CEIOPS expects considerably more detail to be disclosed publicly than is necessary to meet the requirements of the directive.</p> <p>In respect of section C of the proposed structure (risk management) we believe that the proposed breakdown of risks is too detailed and that in some cases this could lead to repetition of information. For example it is not clear how ALM risk can be distinguished from market and underwriting risk, nor is it clear how the individual risk categories (C1 to C7) could be sensibly discussed without describing the information required in C8-C12. We suggest that firms should be given more flexibility to describe risks in a way appropriate to their business.</p> <p>We strongly believe that differences/reconciliations between internal models and standard factors should not be publicly disclosed as this is likely to</p>	<p>CEIOPS disagrees with this comment as it views Solvency 2 as a pro-disclosure regime. The Level 2 advice provides specific principles for public disclosures based on the Level 1 text. To the extent disclosures are already made in public domain through annual accounts etc, undertakings can replicate the same provided they meet the scope and nature of the disclosure requirements in SFCR.</p> <p>Noted. CEIOPS has made suitable changes in the Level 2 advice that will not require a separate categorisation of ALM risk.</p> <p>CEIOPS disagrees with this comment. Public disclosure of</p>

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			contain commercially sensitive information.	differences between internal model and standard formula will be useful in understanding why choice of a particular calculation approach is more relevant to the undertaking considering its risk profile.
527.	Association of Friendly Societies	3.86.	<p>The volume of information proposed is far in excess of anything currently required, even in the UK where disclosure requirements are considerable. It is impractical to make this amount of information freely available on a regular basis, and is also likely to have considerable commercial implications.</p> <p>The effort required to produce this volume of information every year will be very considerable, and if it all has to be audited this will result in enormous increases in fees for most, if not all firms, which cannot be justified.</p>	See comment 526.
528.			Confidential comment deleted	
529.	CEA, ECO-SLV-09-453	3.86.	<p>We have a number of comments on the structure of the SFCR.</p> <p><input type="checkbox"/> The SFCR should contain only information not already disclosed in the financial statement.</p> <p><input type="checkbox"/> In respect of section C of the proposed structure (risk management) we believe that the proposed breakdown of risks is too detailed and that in some cases this could lead to repetition of information. For example it is not clear how ALM risk can be distinguished from market and underwriting risk, nor is it clear how the individual risk categories (C1 to C7) could be sensibly discussed without describing the information required in C8-C12. We propose that companies, if they find it appropriate, should be allowed not to separate information C8-C11 from the individual risks (C1 to C7).</p> <p><input type="checkbox"/> The heading under E6 ("Undertakings with an approved internal model") appears to be out of place.</p>	See comment 524.

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			<p>□ On E.4 we agree that the differences between the internal model and the standard formula are valuable information for supervisors. However, we disagree with the fact that this information is publicly disclosed. Indeed, it will give competitive and quantitative information either on the risk asset mix or on the underwriting policy of the company. The level of the SCR will be disclosed, we therefore do not think there will be any need, in public information, to give details on the differences with the standard formula. Moreover, this could be counterproductive for Ceiops because this is not an incentive to use an internal model (the one choosing not to use it will give less public information).</p> <p>□ We had understood that both calculation of Standard Formula and internal model are mandatory during 2 years. We would not like to calculate the SCR forever with both methods as this will be costly and burdensome once it has been proved that the internal model correctly reflects the risk level of the company.</p> <p>The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.</p>	
530.	CRO Forum	3.86.	<p>We would ask for the justification for a separate risk category for ALM risk in section C5. It is not clear how this is distinguished from market and underwriting risk. However we agree that risk in relation to ALM should be managed and reported.</p> <p>The heading under E6 ("Undertakings with an approved internal model") appears to be out of place.</p> <p>In general, in accordance with the proportionality principle, different levels of disclosure should be considered for regulated entities and Groups.</p>	<p>Noted. CEIOPS has made suitable changes in the Level 2 advice that will not require a separate categorisation of ALM risk.</p> <p>Noted.</p>
531.	DENMARK: Codan Forsikring	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that	See comments in 522.



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	A/S (10529638)		components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	
532.	Dexia	3.86.	If the SFCR has to be made public, the paragraph 3.86 should ask about “content” and not “structure”. The structure and layout should be the choice of each entity.	CEIOPS disagrees with this comment. Para 3.3.7 focuses on the contents of the SFCR. The purpose of the structure is to harmonise and compare public disclosures in the best possible manner.
533.	European Insurance CFO Forum	3.86.	<p>Differences between the internal model and the standard formula are commercially sensitive and should not be publicly disclosed.</p> <p>Section E.4: It is agreed that the differences between the internal model and the standard formula is valuable information for the supervisors. The CFO Forum disagrees with the proposal to have this information publicly disclosed as it includes commercially sensitive information on risk asset mixes and the underwriting policy of the company. The relevant information for the public is already included in the SCR disclosure. Given above, the current E4. proposal does not incentivise the use of an internal model.</p> <p>Sections C8-C11 replicate information in sections C1-C7.</p> <p>The first seven sections look at different types of risk whilst C8-C11 collates essentially the same information under different headings. Similarly C5 on ALM is not necessarily managed as a separate risk but as a component of overall investment strategy. Companies should not be required to provide duplicate information and should be permitted to present all the relevant information in a format that provides the best overview of the risks in the business.</p>	<p>CEIOPS disagrees with this comment. Public disclosure of differences between internal model and standard formula will be useful in understanding why choice of a particular calculation approach is more relevant to the undertaking considering its risk profile.</p> <p>Noted. CEIOPS has made suitable changes in the Level 2 advice that will not require a separate categorisation of ALM risk.</p>
534.	FFSA	3.86.	The CEIOPS has given the structure of the SFCR and the different contents to provide.	

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			<p>FFSA thinks that the proportionality rule is not applied in the matter: the SFCR should contain only information not already disclosed in the financial statement.</p> <p>Specifically on E.4 FFSA agrees that the differences between the internal model and the standard formula are valuable information for supervisors. However, FFSA disagrees with the fact that this information is publicly disclosed. Indeed, it will give competitive and quantitative information either on the risk asset mix or on the underwriting policy of the company. The level of the SCR will be disclosed, FFSA therefore doesn't think there will be any need, in public information, to give details on the differences with the standard formula. Moreover, this could be counterproductive for CEIOPS because this is not an incentive to use an internal model (the one choosing not to use it will give less public information).</p> <p>Moreover, FFSA had understood that both calculation of Standard Formula and internal model were mandatory during 2 years. FFSA would not like to calculate for ever the SCR with both techniques, which will be costly and burdensome once it has been proved that the internal model correctly reflects the risk level of the company.</p> <p>Moreover FFSA proposes not to separate information C8-C11 from the individual risks (C1 to C7).</p> <p>FFSA suggests confirming that the amount to provide on a quarterly basis is the last year-end SCR calculation, except if there is any significant change.</p>	<p>See comments 526.</p> <p>See comments 526.</p> <p>See comments 526.</p> <p>See comments 524. CEIOPS disagrees with this comment. The amount to be provided on a quarterly basis should be the MCR for that quarter and not the previous year end's SCR. Undertakings are required to disclose their SCR only once – annually.</p>
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535.	German Insurance Association – Gesamtverb and der D	3.86.	<p>We have a number of comments on the structure of the SFCR.</p> <p><input type="checkbox"/> The SFCR should contain only information not already disclosed in the financial statement.</p> <p><input type="checkbox"/> In respect of section C of the proposed structure (risk management) we believe that the proposed breakdown of risks is too detailed and that in some cases this could lead to repetition of information. For example it is not clear how ALM risk can be distinguished from market and underwriting risk, nor is it clear how the individual risk categories (C1 to C7) could be sensibly discussed without describing the information required in C8-C12. We propose that companies, if they find it appropriate, should be allowed not to separate information C8-C11 from the individual risks (C1 to C7).</p> <p><input type="checkbox"/> The heading under E6 (“Undertakings with an approved internal model”) appears to be out of place.</p> <p><input type="checkbox"/> On E.4 we agree that the differences between the internal model and the standard formula are valuable information for supervisors. However, we disagree with the fact that this information is publicly disclosed. Indeed, it will give competitive and quantitative information either on the risk asset mix or on the underwriting policy of the company. The level of the SCR will be disclosed, we therefore do not think there will be any need, in public information, to give details on the differences with the standard formula. Moreover, this could be counterproductive for CEIOPS because this is not an incentive to use an internal model (the one choosing not to use it will give less public information).</p> <p><input type="checkbox"/> We had understood that both calculation of Standard Formula and internal model are mandatory during 2 years. We would not like to calculate</p>	See comment 524.

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			<p>the SCR forever with both methods as this will be costly and burdensome once it has been proved that the internal model correctly reflects the risk level of the company.</p> <p>The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.</p>	
536.	Groupe Consultatif	3.86.	We think the rationale for public disclosure of E4 (difference between internal models and standard formula) is weak. It is not clear what if any value this information would provide to the reader. Given that internal models are subject to a stringent approval process, it could well cast doubt on the standard formula. This information is better communicated privately.	See comment 524.
537.	Institut des actuaires (France)	3.86.	Institut des Actuaires believes that the public report (SFCR) should present the conclusion of the report prepared by the actuarial function ("actuarial opinion").	Noted.
538.	KPMG ELLP	3.86.	<p>(a) We agree in principle with the proposed structure, although have reservations regarding how proportionality will be achieved given the 37 sub-headings. We would welcome clarity on this. See also 3.42 regarding our suggestion of a possible short-form SFCR when a sort-form RTS is supplied to the supervisory authority.</p> <p>(b) Since only certain items in the SFCR will be subject to audit, consideration will be needed to the best way to present information so that it is clear to the user which items have been audited. It may be easiest to achieve this by including the audited information in a separate section of the SFCR, which would mean a revision to the proposed structure.</p> <p>(c) It should be made clear the extent to which qualitative and quantitative information can be based on information in the financial statements rather than the Solvency II regulatory position. We would however expect that Section D (Regulatory Balance Sheet), E (Capital Management) and Annex-Quantitative reporting templates (if included) would always be based on</p>	<p>See comment 526.</p> <p>Noted. This will be dealt with in Level 3.</p> <p>Noted. Ideally the quantitative disclosures will be based on Solvency 2 instead of accounting though there will be scope for potential overlap. Qualitative</p>

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			<p>Solvency II figures.</p> <p>(d) The format of the RTS outlined in paragraph 3.298 includes an additional item 'A.1A Objectives and strategy'. We see no reason why such a heading should not also be included in the SFCR, however the nature of the disclosure is likely to be different as (re)insurance undertakings/insurance groups will be unwilling to disclose publicly commercially sensitive information.</p>	<p>disclosures can overlap between other external sources in public domain like annual accounts.</p> <p>Noted.</p>
539.	Legal & General Group	3.86.	<p>This is a very catch all list. We strongly believe that differences/reconciliations between internal models and standard factors should not be publicly disclosed as this is likely to contain commercially sensitive information.</p> <p>On the list the risk management requirements (C1- C12) contain a great deal of replications between the sections. We suggest that C1 to C7 are deleted and the information be included within C8- C12. It is also important that the risks are disclosed where they are material and in a manner that does not lead to the public disclosure of market sensitive information.</p>	<p>See comment 524.</p> <p>See comment 524.</p>
540.	Link4 Towarzystwo Ubezpieczeń SA	3.86.	<p>Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.</p>	<p>See comments in 522.</p>
541.	Lloyd's	3.86.	<p>We consider that the SFCR structure mandated by this paragraph is unsatisfactory and out of line with the Framework Directive.</p> <p>Article 50 of the Framework Directive sets out the information that the SFCR should contain. The list set out in 3.86 goes much further than article 50 and is excessive. The paper does not properly justify this level of disclosure and we believe that, in drawing up this list of items, the proportionality principle detailed in 3.45 has been entirely disregarded. Regular provision of the level of information specified will place a significant and onerous administrative burden on insurance and reinsurance undertakings. We suspect that much of</p>	<p>See comments in 526.</p>

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			<p>the information provided will prove of little or no benefit to the public or to supervisors.</p> <p>In drawing up this structure, CEIOPS should take article 50 of the Framework Directive as its starting point. Items should be included only where they are clearly necessary in order to meet article 50's provisions or where there is a real justification, based on Solvency II's underlying principles, for the item's inclusion. At all times the principle of proportionality should be borne in mind and the extent to which the requirements are creating an administrative burden for undertakings.</p> <p>See under 3.201 for our comments on "Differences between the standard formula and any internal models used".</p>	
542.	Lucida plc	3.86.	<p>We believe that the details required as a matter of public record in sections B and C are excessive particularly if companies are already disclosing this in their financial statements. For example, we are not convinced as to how much value information on outsourcing or internal audit will add. It would be better to provide information on sensitivities to key risks in some detail.</p>	<p>To the extent disclosures are already made elsewhere in other public domain like annual accounts, the same can be used or referred to provided hyperlinks are not used. CEIOPS considers information on internal audit function and outsourcing to be relevant for risk management purposes.</p>
543.	Munich RE	3.86.	<p>It is not clear to us how ALM risk (C.5) is distinguished from market risk. Please provide an explanation. The heading under E6 ("Undertakings with an approved internal model") appears to be out of place.</p>	<p>Noted. See comments in 524.</p>
544.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.86.	<p>Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.</p>	<p>See comments in 522.</p>
545.	OAC	3.86.	<p>The volume of information proposed is far in excess of anything currently</p>	<p>See comments in 526.</p>

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	Actuaries and Consultants		<p>required, even in the UK where disclosure requirements are considerable. It is impractical to make this amount of information freely available on a regular basis, and is also likely to have considerable commercial implications.</p> <p>The effort required to produce this volume of information every year will be very considerable, and if it all has to be audited this will result in enormous increases in fees for most, if not all firms, which cannot be justified.</p>	
546.	Pearl Group Limited	3.86.	<p>The proposed structure of the SFCR appears largely satisfactory. However, it will be particularly important that we are able to draw up this report in a proportionate and tailored way so as to ensure that only relevant information at an appropriate level of detail needs to be submitted. We are concerned that much of the subsequent discussion suggests that CEIOPS expects considerably more detail to be disclosed publicly than is necessary to meet the requirements of the directive.</p> <p>In respect of section C of the proposed structure (risk management) we believe that the proposed breakdown of risks is too detailed and that in some cases this could lead to repetition of information. For example it is not clear how ALM risk can be distinguished from market and underwriting risk, nor is it clear how the individual risk categories (C1 to C7) could be sensibly discussed without describing the information required in C8-C12. We suggest that firms should be given more flexibility to describe risks in a way appropriate to their business.</p>	<p>See comments in 526.</p> <p>Noted. See comments in 526.</p>
547.	PricewaterhouseCoopers LLP	3.86.	<p>We note CEIOPS' aim to achieve consistency and comparability of published information in setting out a standard structure for the SFCR. While a prescribed form for public disclosure will encourage comparability between undertakings and may help undertakings structure their minimum content, it may also be seen to restrict the ability of undertakings to provide a tailored explanation of their results, risks, management, etc. to the public, and therefore restrict the overall usefulness of the information in achieving its intended purpose. In practice, the executive summary may become a longer document in which the undertaking can set out their tailored message, which may conflict with the intentions for the executive summary set out in paragraph 3.91.</p>	<p>Noted. CEIOPS recommends providing tailored information separately as part of voluntary disclosures so that firms are not restricted in disclosing specific information that they deem useful for the users.</p>

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			<p>The SFCR has 39 prescribed sub-headings under 5 main headings together with an executive summary, details of internal model (where applicable) and quantitative templates. Some insurers, particularly those with comparatively simple operations, may consider such a structure to lead to a document that is unduly complex in structure. Consideration should be given to the extent to which undertakings should be permitted freedom to structure their own report in accordance with their disclosure policy, for example by allowing insurers to merge the reporting of items under sub-headings where it is proportionate to do so and where it is clearly indicated that this has been done (for example ORSA is part of the risk management system and so arguably items B3 and B4 could be discussed together where this aids clarity).</p> <p>The level of detail to be given under each of the SFCR headings may be capable of a wide range of interpretations. We would not support more prescription of the form and content of the SFCR and believe that the application of the principle of proportionality is a matter for judgement by undertakings. However, it may be helpful if an example SFCR were developed by CEIOPS to illustrate the level of detail that is envisaged, including, for example, examples of items to be included in "other risks" (paragraph 3.150), albeit this should be performed at Level 3 and no aspect of the example should become mandatory for undertakings.</p> <p>Where quantitative information is to be given as part of the SFCR it should be clarified (except where it is self evident) whether this should be on an accounting or a solvency basis.</p>	<p>Noted. Undertakings are expected to follow the proportionality principle in determining the extent to which information is required to be disclosed. Where certain information within the structure does not apply to the undertaking concerned, the same should be stated in a manner that users can understand. The structure of the SFCR cannot be changed due to nature of the undertakings. The structure is developed to ensure harmonisation in disclosures that facilitates comparison amongst different undertakings and users.</p> <p>Noted.</p> <p>Quantitative information in the SFCR will be based on Solvency 2.</p>



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			To the extent any elements of the SFCR are subject to external audit these will need to be clearly identifiable and separable from the other parts of the SFCR. It may therefore be necessary to revisit the format of the SFCR to facilitate this once any external audit requirements have been finalised.	CEIOPS is aware of this point and will develop detailed guidance on external audit in Level 3.
548.	ROAM (Réunion des Organismes d'Assurance Mutue	3.86.	<p>1) Regarding the SFCR structure: according to ROAM, some required information is inappropriate for a public communication. ROAM asks CEIOPS to clarify which surplus value is expected for the public /market if the undertaking communicates a description about the fit and proper aspects of its managers, its actuarial function, its ORSA (still unknown), its outsourcing?</p> <p>2) The SFCR and RTS structures are almost identical while their objectives are very different. On the one hand, ROAM want the SFCR to be relieved and to contain only the main part of the information awaited by the public and, on the other hand, ROAM wants to communicate on the technical information only in the RTS.</p> <p>- So points B1 to B8, C1 to C12 and D1 to D4 would come under the RTS.</p> <p>- The SFCR would be enough detailed, but not too complex, to satisfy the transparency to the public (business and performance / system of governance B1 à B3 / capital management E1 à E6).</p> <p>3) If CEIOPS' SFCR structure is preserved (the present proposed structure), ROAM suggests to join the C8-C11 information within the individual risks C1-C7.</p> <p>4) When using an internal model, ROAM has understood the SCR calculation must be established during 2 years according to both the standard formula and the internal model. It would not be advisable to calculate forever the SCR with both techniques, which will be costly and burdensome once it has been proved that the internal model correctly reflects the risk level of the undertaking (E.4).</p> <p>5) Point E5: could CEIOPS explain 'significant non-compliance'?</p>	<p>CEIOPS considers the disclosures outlined in the comment to be an integral part of risk management under Solvency 2.</p> <p>Noted</p> <p>Noted. CEIOPS has modified its advice to combine certain risks.</p> <p>Noted.</p> <p>CEIOPS considers the materiality principle to be followed in determining significant non-compliance.</p>

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549.	RSA Insurance Group PLC	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	See comments in 522.
550.	RSA Insurance Ireland Ltd	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	See comments in 522.
551.	RSA - Sun Insurance Office Ltd.	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	See comments in 522.
552.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.86.	Structure is too prescriptive to be suitable for all circumstances. Whilst the proposed structure is satisfactory, and we agree in principle, it should be possible for the regulated entity to agree with their supervisor that components, where appropriate, be required at group/intermediate group level only and appropriately referred to.	See comments in 522.
553.	XL Capital Ltd	3.86.	The proposed table of content set out in para 3.86 is helpful. We expect a degree of flexibility under the principle of proportionality to be able to adjust the content and the level of the detail of the SFCR according to the risk profile of the undertaking.	Noted. See comments in 547.
554.			Confidential comment deleted	
555.	CRO Forum	3.87.	We note that each jurisdiction currently has different regulatory reporting deadlines. To ensure successful convergence, the same reporting deadline will need to be adopted by all EU regulators. If synchronisation of regulatory reporting is not achieved, groups will not be able to report their full position to the lead regulator (i.e. without information provided being limited or subject to further change). A single group-wide SFCR as envisioned will rely on a	Noted

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			common deadline for all jurisdictions.  In addition, listed firms are expected to report their estimated solvency position when they announce their financial reporting results. If the expectation is that the timing of both sets of reporting will coincide, having to produce both regulatory and financial reports at the same time (which is not currently the practice) would represent a considerable extra burden on firms' resources and inevitably a need for additional resources to be employed.	
556.			Confidential comment deleted	
557.	CRO Forum	3.88.	We note that, while definition of the minimum content appears a reasonable approach, it leaves open the possibility that a regulator may impose additional reporting requirements on undertakings. This would be of particular concern to larger firms who may be more likely to be affected.	See comment 556
558.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.89.	We note that the quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress.  While the reasons for this are understood, there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	Consultation on the Level 3 guidance is expected later in 2010.
559.			Confidential comment deleted	
560.	CEA, ECO-SLV-09-453	3.89.	We note that the quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress.  While the reasons for this are understood, there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	See comment 558

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561.	CRO Forum	3.89.	We note that the quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress. While the reasons for this are understood, there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	See comment 558
562.	European Insurance CFO Forum	3.89.	CEIOPS will need to re-issue more developed quantitative reporting templates for comments.  The CFO Forum notes that the quantitative reporting templates, which are intended to support the SFCR and the RTS, are work-in-progress. While the reasons for this are understood, there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	See comment 558
563.	German Insurance Association – Gesamtverb and der D	3.89.	We note that the quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress.  While the reasons for this are understood, there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	See comment 558
564.	Lloyd's	3.89.	We note that the quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress and will be finalised in Level 3.  While the reasons for this are understood, this creates uncertainty over the final quantitative requirements. These will need to be finalised as soon as possible to allow undertakings sufficient time to prepare their reporting systems to comply with the new requirements.	See comment 558

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565.	Munich RE	3.89.	The quantitative reporting templates which are intended to support the SFCR and the RTS are work-in-progress. Therefore there is some difficulty in responding to the current proposal since it is not yet in the form of an integrated package. A main reason for the difficulty is that the reporting templates often express the practical interpretation of what is intended by the qualitative descriptions.	See comment 558
566.	PricewaterhouseCoopers LLP	3.89.	We believe the issue of which quantitative templates will be for public disclosure to be an important one and CEIOPS should ensure there is adequate consultation on its proposals in this regard.	See comment 558
567.				
568.	AAS BALTA	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	But are in another place than SFCR and could be more difficult to find.
569.	AB Lietuvos draudimas	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
570.	Association of Friendly Societies	3.91.	It will be impossible to provide an executive summary which is short and easily understandable in the context of the vast amount of information which the SFCR requires firms to provide. It is also extremely unlikely, given how large and technical a document it will be, that any policyholder will attempt to read it. It is not clear whether this document will be permitted to replace the statutory report and accounts (it seems to duplicate much of the information in it) but if a report and accounts with the current level of information is still required this would be a much more appropriate document to recommend for policyholder consumption.	Noted
571.			Confidential comment deleted	Noted
572.	DENMARK: Codan Forsikring A/S	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568

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573.	ECIROA	3.91.	If the Executive Summary is aimed specifically at Policyholders, this further supports the argument that captives should not complete the SFCR.	Noted
574.	Link4 Towarzystw o Ubezpieczeń SA	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
575.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
576.	OAC Actuaries and Consultants	3.91.	It will be impossible to provide an executive summary which is short and easily understandable in the context of the vast amount of information which the SFCR requires firms to provide. It is also extremely unlikely, given how large and technical a document it will be, that any policyholder will attempt to read it. It is not clear whether this document will be permitted to replace the statutory report and accounts (it seems to duplicate much of the information in it) but if a report and accounts with the current level of information is still required this would be a much more appropriate document to recommend for policyholder consumption.	Noted
577.	PricewaterhouseCoopers LLP	3.91.	<p>The executive summary is stated to be aimed specifically at policyholders. While it may be useful for policyholders who will not necessarily read the SFCR in its entirety, there may be other users for whom an executive summary would also be useful and those users should also be considered in the drafting of the executive summary.</p> <p>We believe the executive summary can usefully be used to provide a synopsis of the key information contained within the other sections of the SFCR, in addition to the information required by paragraph 3.94. The</p>	Updated

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			executive summary is not bound by a prescribed structure and so this area gives the insurer the freedom to communicate the key issues in a manner it feels appropriate to the market.	
578.	RSA Insurance Group PLC	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
579.	RSA Insurance Ireland Ltd	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
580.	RSA - Sun Insurance Office Ltd.	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
581.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.91.	Considered unnecessary, given that the risk and capital section of the annual reports is an appropriate summary.	See comment 568
582.	XL Capital Ltd	3.91.	<p>"In order to assist readers of the SFCR, a short and easily understandable executive summary aimed specifically at policyholders should be provided."</p> <p>It is unclear whether policyholders will have the appetite to read a very technical document such as the SFCR. There seems to be some form of duplication between the information contained in the annual report and what's required to be disclosed in the SFCR.</p>	Noted
583.	AAS BALTA	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
584.	AB Lietuvos draudimas	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
585.	DENMARK: Codan	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted

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586.	Groupe Consultatif	3.92.	A broadly similar requirement already exists in relation to general purpose reports and accounts of most insurers in several countries. No greater level of detail would be appropriate for the SFCR.	Noted
587.	Link4 Towarzystw o Ubezpieczeń SA	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
588.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
589.	RSA Insurance Group PLC	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
590.	RSA Insurance Ireland Ltd	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
591.	RSA - Sun Insurance Office Ltd.	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted
592.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-	3.92.	At a group level, this is satisfactory, however at an entity level, achieving this information would be burdensome.	Noted



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	7799)			
593.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.93.	<p>We support a short and easily read summary aimed specifically at policyholders.</p> <p>We recognise the uncertainty as to whether there is an audience to each and every summary but value the mere disposal of such a summary to inquiring customers or media eager to better understand insurance businesses. We believe that knowledgeable costumers are a major benefit to the industry reputation and enhance the business.</p> <p>We believe that the information should be limited to what is really needed and expected. We would advocate that further additional work should be performed by an ad hoc working party, including undertakings and analysts, with the objective to set the appropriate level of disclosures.</p>	See note 577
594.	Association of British Insurers	3.93.	<p>This response covers paragraphs 3.93 and 3.94. We agree that insurance undertakings should communicate relevant information clearly to their policyholders but do not believe that the proposal to require an executive summary to the SFCR aimed at policyholders will be helpful to policyholders or much used by them.</p> <p>We believe that this will be the case for a number of reasons:</p> <ul style="list-style-type: none"> <li>- The SFCR will be a very technical document and even a simplified executive summary will necessarily be at a level of detail and cover issues that will not be relevant to individual policyholders. Attempts in the UK to introduce customer friendly versions of firms' Principles and Practices of Financial Management (which share some characteristics in common with SFCRs) have not been successful – surveys have shown that these are not used to any great extent by either policyholders or financial advisers.</li> <li>- Policyholders will be interested primarily in the performance of particular products they have invested in (in the case of savings based products) or the insurer's performance in dealing with claims (in the case of protection and general insurance products). This information will not normally be derivable from the SFCR or from a summary of the SFCR.</li> </ul>	See note 577

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			Given the detail and complexity of the SFCR we believe that its principal audience will be analysts, investors and, perhaps, some financial advisers. We, therefore, believe that the executive summary should be written to satisfy the needs of this audience rather than policyholders. Overall, as stated in our response to 3.58, we do not believe that policyholders should be regarded a principal audience for the SFCR.	
595.	CEA, ECO-SLV- 09-453	3.93.	<p>We support a short and easily read summary aimed specifically at policyholders.</p> <p>We recognise the uncertainty as to whether there is an audience to each and every summary but value the mere disposal of such a summary to inquiring customers or media eager to better understand insurance businesses. We believe that knowledgeable costumers are a major benefit to the industry reputation and enhance the business.</p> <p>We believe that the information should be limited to what is really needed and expected. We would advocate that further additional work should be performed by an ad hoc working party, including undertakings and analysts, with the objective to set the appropriate level of disclosures.</p>	<p>See note 577</p> <p>Noted</p>
596.	CRO Forum	3.93.	<p>We note that the proposal for SFCR disclosure assumes considerable technical understanding by the reader. It is questionable whether policyholders would find it useful or whether it would contain the sort of information policyholders would want.</p> <p>A Group executive summary aimed at policyholders of large Groups would be difficult to draft; the single key message might be the level of surplus capital the Group holds. Group materiality levels would mean that businesses in certain territories might fall below materiality thresholds and group information on business changes would not be adequate for policyholders in those territories.</p> <p>Further discussion is needed on the right balance of information to be provided to policyholders both at regulated entity and Group level.</p>	See note 577

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597.	Danish Insurance Association	3.93.	We support a short and easily read summary aimed specifically at policyholders. We recognise the uncertainty as to whether there is an audience to each and every summary but values the mere disposal of such a summary to inquiring customers or medias eager to better understand insurance businesses. We believe that knowledgeable costumers are a major benefit to the industry reputation and enhance the business.	See note 577
598.	FFSA	3.93.	<p>The CEIOPS proposes that the SFCR shall include a short executive summary aimed specifically at policyholders to make the very technical information understandable.</p> <p>FFSA believes that the information should be limited to what is really needed and expected by both policyholders and analysts. That does not mean that the whole package should be disclosed. In the contrary, FFSA would advocate that further additional work should be performed by an ad hoc working party, including undertakings and analysts, with the objective to set the appropriate level of disclosures.</p>	See note 577
599.	Pearl Group Limited	3.93.	<p>This response covers paragraphs 3.93 and 3.94. We agree that insurance undertakings should communicate relevant information clearly to their policyholders but do not believe that the proposal to require an executive summary to the SFCR aimed at policyholders will be helpful to policyholders or much used by them.</p> <p>Given the detail and complexity of the SFCR we believe that its principal audience will be analysts, investors and, perhaps, some financial advisers. We, therefore, believe that the executive summary should be written to satisfy the needs of this audience rather than policyholders. Overall, as stated in our response to 3.58, we do not believe that policyholders should be regarded a principal audience for the SFCR.</p>	See note 577
600.	PricewaterhouseCoopers LLP	3.93.	See paragraph 3.91	See note 577
601.	XL Capital Ltd	3.93.	See comment on para 3.91.	Noted

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602.	Groupe Consultatif	3.94.	See 3.92	Noted
603.	DIMA (Dublin International Insurance & Management	3.95.	The information required is similar to that which is currently provided in Financial Statements and regulatory returns. It is not clear on the level of detail that will be required under each heading. Captive entities should only be required to provide high level commentary on the main topics. The SCR Model will provide quite a bit of detail on the business activities and how solvency is determined. Paragraph 3.95 – 3.100.	In the CP58 and in the directive itself the proportionality principle is highlighted, which will also be applicable to the captive entities.
604.	PricewaterhouseCoopers LLP	3.95.	Many of the required elements of the SFCR already have to be disclosed for statutory accounts and/or national GAAP purposes. We suggest that clarification is made on whether the SFCR information should be consistent with the statutory accounts and/or national GAAP disclosures, or should be adjusted onto a Solvency II basis where different. We believe that the requirements of 3.95 to 3.109 may lead to a significant duplication of already publically disclosed information (SFCR and statutory accounts / national GAAP).	CEIOPS has been working on harmonisation in the reporting field that is why the reports according to Solvency II will replace the present reports disclosed to insurance supervisors by insurance undertakings, as far as practicable.
605.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.96.	<p>We have a number of concerns over the information that is required to be disclosed.</p> <p>□ We are concerned about the granularity of information which might be implied under (d), i.e. split of business by line and by country (with changes highlighted). Wording of point d) should be aligned with 3.103 a).</p> <p>□ We consider that the proposed requirement under (f) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p>	Noted
606.			Confidential comment deleted	
607.	Belgian Coordination	3.96.	Question: are the sub points i) and j) to be understood identically with IAS 24?	Noted

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	Group Solvency II (Assuralia/		The IFRS 8 Operating segments (management's view) should be explained.	
608.	CEA, ECO-SLV-09-453	3.96.	<p>We have a number of concerns over the information that is required to be disclosed.</p> <p><input type="checkbox"/> We would like point a) to be deleted. We see no need to publish the "undertaking's legal status and address of its registered office" as part of the business and performance description according Art. 50 (1) a). Since publishing this information is not recommended by Ceiops in 3.103 it would be consistent to delete it also in the explanatory text.</p> <p><input type="checkbox"/> We would like point c) to be deleted. See comment to 3.103.</p> <p><input type="checkbox"/> We are concerned about the granularity of information which might be implied under (d), i.e. split of business by line and by country (with changes highlighted). Wording of point d) should be aligned with 3.103 a).</p> <p><input type="checkbox"/> We consider that the proposed requirement under (f) to describe "the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years" to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p><input type="checkbox"/> We question the relevance of the requirement as stated under (g) for the supervisory purposes. In our opinion the disclosure regarding segmentation e.g. line of business should be based on the manner in which the management does manage the business and not on an artificial segmentation. The policyholders would benefit more from information based on the perspectives of the management and the manner in which it conducts business. Since publishing this information is not recommended by Ceiops in 3.103 it would be consistent to delete it from the explanatory text in 3.96.</p> <p><input type="checkbox"/> The requirements in points i) and j) would conflict with the reporting of intra-group transactions. Point i) should be deleted.</p> <p><input type="checkbox"/> We would also want to make reference to the principles as laid down</p>	Noted

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			in IFRS 8.	
609.	CRO Forum	3.96.	<p>Applies also to 3.98,3.103 and 3.105</p> <p>We are concerned about the granularity of information which might be implied under (d), ie split of business by line and by country (with changes highlighted). In our opinion the disclosure of segmentation (e.g. by line of business) should be based on internal management information, reflecting the way in which the business is managed, and not on an arbitrary segmentation. Policyholders would benefit more from information based on the perspectives of the management and the manner in which it conducts the business.</p> <p>We consider that the proposed requirement under (f) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>We question the relevance of the requirement as stated under (g) for supervisory purposes.</p> <p>We would also want to make reference to the principles as laid down in IFRS 8.</p>	Noted
610.	European Insurance CFO Forum	3.96.	Comments in 3.103 are also relevant here.	See resolution on 3.103.
611.	European Union member firms of Deloitte Touche To	3.96.	<p>3.96 (a), (g), (h), (i) and (j);</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice</p>	Noted

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612.	German Insurance Association – Gesamtverb and der D	3.96.	<p>We have a number of concerns over the information that is required to be disclosed.</p> <p><input type="checkbox"/> We would like point a) to be deleted. We see no need to publish the “undertaking’s legal status and address of its registered office” as part of the business and performance description according Art. 50 (1) a). Since publishing this information is not recommended by CEIOPS in 3.103 it would be consistent to delete it also in the explanatory text.</p> <p><input type="checkbox"/> We would like point c) to be deleted. See comment to 3.103.</p> <p><input type="checkbox"/> We are concerned about the granularity of information which might be implied under (d), i.e. split of business by line and by country (with changes highlighted). Wording of point d) should be aligned with 3.103 a).</p> <p><input type="checkbox"/> We consider that the proposed requirement under (f) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p><input type="checkbox"/> We question the relevance of the requirement as stated under (g) for the supervisory purposes. In our opinion the disclosure regarding segmentation e.g. line of business should be based on the manner in which the management does manage the business and not on an artificial segmentation. The policyholders would benefit more from information based on the perspectives of the management and the manner in which it conducts business. Since publishing this information is not recommended by CEIOPS in 3.103 it would be consistent to delete it from the explanatory text in 3.96.</p>	Noted

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			<input type="checkbox"/> The requirements in points i) and j) would conflict with the reporting of intra-group transactions. Point i) should be deleted.  <input type="checkbox"/> We would also want to make reference to the principles as laid down in IFRS 8.	
613.	Groupe Consultatif	3.96.	Broadly similar requirements already exist in relation to the annual report and accounts of insurers in several countries and should be taken into account in specification of this requirement.	CEIOPS has been working on harmonisation in the reporting field that is why the reports according to Solvency II will replace the present reports disclosed to insurance supervisors by insurance undertakings, as far as practicable.
614.	Just Retirement Limited	3.96.	The amount of information required to describe the business and external environment has increased considerably from previous CEIOPS' publication. We are generally concerned that more and more information will required to be reported by firms and this is being driven by regulatory rather than business demands.	Noted
615.	KPMG ELLP	3.96.	<p>(a) We note that the majority of information to be reported here would also appear in any financial statements prepared under IFRS. We therefore consider that in such circumstances it should be permissible to make cross reference to the statutory accounts rather than requiring duplication of information.</p> <p>(b) We think it may be useful to readers to understand whether any significant intra-group reinsurances are effected with undertakings in equivalent or non-equivalent regimes and the impact that this has had on the SCR calculation.</p>	Noted
616.	Munich RE	3.96.	MR is concerned about the granularity of information which might be implied under (d).	Noted



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			<p>The proposed requirement under (f) seems to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>i) It should be clarified that the information on significant related party transactions should be in accordance with the requirements of IAS 24.</p>	
617.	PricewaterhouseCoopers LLP	3.96.	See paragraph 3.103.	See resolution on 3.103
618.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.97.	<p>The proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” is excessive.</p> <p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.</p>	For supervisory authority it is important to have full information concerning group structure even if entities are unrelated to the transaction of the business.
619.			Confidential comment deleted	
620.	CEA, ECO-SLV-09-453	3.97.	<p>The proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” is excessive.</p> <p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.</p>	For supervisory authority it is important to have full information concerning group structure even if entities are unrelated to the transaction of the business.
621.	CRO Forum	3.97.	We consider that the proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” to be excessive. Subsidiaries of international groups often include entities unrelated to the transaction of the business, which are therefore irrelevant in this context.	For supervisory authority it is important to have full information concerning group structure even if entities are unrelated to the transaction of the business.
622.	European Insurance CFO Forum	3.97.	Comments in 3.104 are also relevant here.	See resolution on 3.104
623.	European	3.97.	3.97 (b) and (c);	Noted

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	Union member firms of Deloitte Touche To		The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	
624.	German Insurance Association – Gesamtverb and der D	3.97.	The proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” is excessive.  Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.	For supervisory authority it is important to have full information concerning group structure even if entities are unrelated to the transaction of the business.
625.	Groupe Consultatif	3.97.	This is repetitive from the annual report.  Moreover we believe that the complete information should only be given in the group SFCR. At the solo level, the only relevant information is “the name of the undertaking’s parent and, if different, the ultimate controlling party” and, if the entity is the parent of a subgroup, “a list of all subsidiaries, key branches and material participations of the subgroup and information on equivalence for third country undertakings of the subgroup”	For supervisory authority it is important to have full information concerning group structure even if entities are unrelated to the transaction of the business.
626.	Institut des actuaires (France)	3.97.	“For undertakings belonging to a group, a description of the legal and organisational group structure should be provided including: a) a list of all subsidiaries, key branches and material participations; b) information on equivalence for third country undertakings; and c) the name of the undertaking’s parent and, if different, the ultimate controlling party.”  Institut des Actuaire believes that the complete information should only be given in the group SFCR. At the solo level, the only relevant information is “the name of the undertaking’s parent and, if different, the ultimate controlling party” and, if the entity is the parent of a subgroup, “a list of all subsidiaries, key branches and material participations of the subgroup and information on equivalence for third country undertakings of the subgroup”.	Noted

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627.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.98.	<p>The proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area might imply an excessive level of granularity.</p> <p>We consider the proposal under (c) to provide "information on underwriting expenses...compared to prior years" to be excessive. Historical comparisons should be limited to the immediate prior year.</p>	<p>Please note that Public disclosure requirements are one of the cornerstones of Solvency II and convergence should be achieved in order to guarantee a level playing field and assist comparability. Therefore, a certain level of granularity is required.</p> <p>Agreed</p>
628.	Association of British Insurers	3.98.	The level of detail suggested is too granular.	Please see comment to point 627.
629.			Confidential comment deleted	
630.	CEA, ECO-SLV-09-453	3.98.	<p>The proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area might imply an excessive level of granularity.</p> <p>We consider the proposal under (c) to provide "information on underwriting expenses...compared to prior years" to be excessive. Historical comparisons should be limited to the immediate prior year.</p>	Please see comment to point 627.
631.	CRO Forum	3.98.	We consider that the proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area implies an excessive level of granularity. We also consider the proposal under (c) to provide "information on underwriting expenses...compared to prior years" to be excessive. Historical comparisons should be limited to the immediate prior year.	Please see comment to point 627.
632.	European	3.98.	The proposed level of granularity is excessive for the SFCR.	Please see comment to point 627.

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	Insurance CFO Forum		<p>The CFO Forum considers that the proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area might imply an excessive level of granularity. The Forum also considers the proposal under (c) to provide "information on underwriting expenses...compared to prior years" to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>Comments in 3.105 are also relevant here.</p>	Please see response to comments in 3.105
633.	European Union member firms of Deloitte Touche To	3.98.	<p>3.98 (a) and (e);</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice</p>	Noted
634.			Confidential comment deleted	
635.	German Insurance Association – Gesamtverb and der D	3.98.	<p>The proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area might imply an excessive level of granularity.</p> <p>We consider the proposal under (c) to provide "information on underwriting expenses...compared to prior years" to be excessive. Historical comparisons should be limited to the immediate prior year.</p>	Please see comment to point 627.
636.	Groupe Consultatif	3.98.	We have some concern that headings (b) and (c) could suggest disclosure of commercially sensitive information. It is not clear how this requirement would apply in respect of life business.	We believe that it is possible to disclose the subject information at the level ensuring comparability, without disclosing the sensitive informations. Please note also that the corresponding information would be disclosed by

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				the other market participants.
637.	Just Retirement Limited	3.98.	This response applies to c). This information is not required to be publicly reported – can be provided through supervisory reporting or review process.	Please see comment to point 636.
638.	Legal & General Group	3.98.	The level of detail is too granular.	Please see comment to point 627.
639.	Lloyd's	3.98.	<p>We consider that the reporting requirements set out in this paragraph are excessive and will require the disclosure of information that is only marginally relevant to an undertaking's solvency and financial condition.</p> <p>There is no justification for requiring descriptions of underwriting performance and underwriting expenses by material line of business and material geographical area. Providing a "description of the business and the performance of the undertaking", as required by article 50, does not entail disclosure at this level of granularity. Quite apart from the difficulties that some undertakings will have in providing this level of detail – particularly for an unspecified number of prior years – this information is likely to be commercially sensitive and useful to an undertaking's competitors. Although provision is made in article 52 for supervisory approval of non-disclosure in these circumstances, it does not appear appropriate to make such disclosures mandatory.</p>	<p>Please see comment to point 627.</p> <p>Noted</p>
640.	Munich RE	3.98.	<p>In line with 3.98a) it has to be stated clearly that underwriting performance may be presented based on administrative or a management body's analysis.</p> <p>The ideal is for close alignment of the Solvency II balance sheet and IFRS, thus avoiding the need to provide separate guidelines on the basis for determining economic profits or losses.</p> <p>An analysis of underwriting performance consistent with financial reporting would have the benefit of being audited and reliable.</p> <p>The proposed requirement to detail the undertaking's underwriting</p>	Noted

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			<p>performance by material business line and material geographical area might imply an excessive level of granularity. The proposal under (c) to provide “information on underwriting expenses...compared to prior years” also seems to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>On item d): This information should not be disclosed to the public.</p> <p>e) There is no Level 1 requirement to report on transactions with group companies in the SFCR. Also in our opinion it would not be useful for the public to receive long lists of transactions with group companies. For a solo entity any transaction with group companies is as good as a transaction with third parties as long as it is performed at arm's length. At most, we could agree to transactions being reported that have not been carried out at arm's length. However we think that this reporting should be part of the RTS and not the SFCR. CP 61 deals with the reporting of intra-group transactions to supervisors. We would recommend that the paragraph be deleted and leave it to CP 61 to define reporting requirements on intra-group transactions.</p> <p>In general we think that the information given should – as far as possible - coincide with financial reporting.</p> <p>Refer to 3.105</p>	<p>In relation to c) – Agreed</p> <p>In relation to d) – Agreed Noted</p>
641.	PricewaterhouseCoopers LLP	3.98.	More clarity should be given as to whether comparative figures must be provided, and, if so, whether there are any transitional arrangements for the first year of reporting.	Noted
642.	AAS BALTA	3.99.	More detail on what intra-group transactions require information.	CEIOPS has published specific draft Level 2 advice on intra group transactions and risk concentrations – please see Consultation Paper no 61
643.	AB Lietuvos draudimas	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.

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644.	Belgian Coordination Group Solvency II (Assuralia/	3.99.	We recommend CEIOPS to be aware of the possible changes in IAS 39 that could impact the profit and loss and OCI presentation.	Noted
645.	CEA, ECO-SLV-09-453	3.99.	In paragraph 3.99 there is requested information on income or losses and in e) on expenses. In paragraph 3.106 the comparison is clearer a) income, b) gains and losses and e) expenses.	Noted
646.	DENMARK: Codan Forsikring A/S (10529638)	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.
647.	European Union member firms of Deloitte Touche To	3.99.	3.99 (a) and (f);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted
648.	Groupe Consultatif	3.99.	Again broadly similar requirements already exist in respect of accounting information in at least some countries and should be taken into account.	Noted
649.	Just Retirement Limited	3.99.	Gains and losses in equity are not relevant for Solvency II purposes – this is a concept for IFRS – IAS 39 category of available for sale assets. As all assets are marked to market (i.e. fair valued) this can never apply.	Noted
650.	Link4 Towarzystw o Ubezpieczeń SA	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.

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651.	Lucida plc	3.99.	There is too much detail here, most of the information is provided in the accounts.	We consider that including this information is required for the purposes of comparability and transparency.
652.	Munich RE	3.99.	<p>c) The information requested seems to rely on IFRS accounting. While we generally support the use of IFRS accounting within Solvency II as far as possible, we would like to point out that not every undertaking will produce financial statements based on IFRS and should not be required to do so. It is more important for the information provided to present a true and fair view of the economics of the risks in question.</p> <p>f) There is no Level 1 requirement to report on transactions with group companies in the SFCR. Also in our opinion it would not be useful for the public to receive long lists of transactions with group companies. For a solo entity any transaction with group companies is as good as a transaction with third parties as long as it is performed at arm's length. At most, we could agree to transactions being reported that have not been carried out at arm's length. However we think that this reporting should be part of the RTS and not the SFCR. CP 61 deals with the reporting of intra-group transactions to supervisors. We would recommend that the paragraph be deleted and leave it to CP 61 to define reporting requirements on intra-group transactions.</p> <p>The information given should – as far as possible - coincide with financial reporting.</p>	<p>Please see comment to point 651.</p> <p>Please see above.</p> <p>Noted</p>
653.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.
654.	RSA Insurance Group PLC	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.



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655.	RSA Insurance Ireland Ltd	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.
656.	RSA - Sun Insurance Office Ltd.	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.
657.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.99.	More detail on what intra-group transactions require information.	Please see comment to point 642.
658.	Belgian Coordination Group Solvency II (Assuralia/	3.100.	These expenses are financial, not operating expenses.	Disagree.
659.	CEA, ECO-SLV-09-453	3.100.	We suppose all the costs of capitalization to be included here (e.g. interests on subordinated loans, too).	Noted.
660.	European Union member firms of Deloitte Touche To	3.100.	3.100 (a) and (b);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted.
661.	Groupe Consultatif	3.100.	Again broadly similar requirements already exist in respect of accounting information in at least some countries and should be taken into account.	Noted.
662.	Lucida plc	3.100.	See comment on 3.99	Noted.

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663.	Munich RE	3.100.	<p>c) There is no Level 1 requirement to report on transactions with group companies in the SFCR. Also in our opinion it would not be useful for the public to receive long lists of transactions with group companies. For a solo entity any transaction with group companies is as good as a transaction with third parties as long as it is performed at arm's length. At most, we could agree to transactions being reported that have not been carried out at arm's length. However we think that this reporting should be part of the RTS and not the SFCR. CP 61 deals with the reporting of intra-group transactions to supervisors. We would recommend that the paragraph be deleted and leave it to CP 61 to define reporting requirements on intra-group transactions.</p> <p>The information given should – as far as possible - coincide with financial reporting.</p>	Not understood. The par. c) concerns the expenses not the intra group transactions themselves.
664.	Groupe Consultatif	3.101.	(to 3.109) See earlier comments	Noted.
665.	Association of British Insurers	3.102.	<p>This response covers paragraphs 3.102 to 3.109. The proposed information disclosures on business and performance appear appropriate in principle. However, we believe that these will only be acceptable in practice if the following criteria are followed:</p> <p><input type="checkbox"/> The requirements are operated taking account of the principle of proportionality;</p> <p><input type="checkbox"/> Information from other sources is used as much as possible: much of the information proposed in CEIOPS' advice is already required either within the accounts, including the directors' report, or as part of the annual report (eg in a financial or business review); and</p> <p><input type="checkbox"/> The requirements of the SFCR are not more onerous than those other requirements (so even if information has to be re-presented to meet the requirements of the SFCR there should be no need to provide additional information over and above that presented in the report and accounts or other relevant documents).</p>	<p><input type="checkbox"/> Agree.</p> <p><input type="checkbox"/> Noted.</p> <p><input type="checkbox"/> SFCR is to be a stand-alone document without references to any other documents.</p>

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			As they stand some of the information requirements suggested are too onerous and could result in the disclosure of commercially sensitive information. Disclosures should be made at a higher level. For example, in paragraph 3.103 full disclosure of this information for a large group could be extremely onerous while for 3.105 – 3.107 detailed disclosure could be commercially confidential and so would recommend that this is limited to reporting at an overall or geographical level. .	According to solution provided for in CP58 and in the directive itself, non-disclosure of information is possible. Non-disclosure shall be permitted by the supervisor.
666.	Groupe Consultatif	3.102.	(to 3.109) See earlier comments	Noted.
667.	Pearl Group Limited	3.102.	<p>The information requested will be too much information for policyholders. This is likely to put policyholders off reading the document.</p> <p>This response covers paragraphs 3.102 to 3.109. The proposed information disclosures on business and performance appear appropriate in principle. However, we believe that these will only be acceptable in practice if the following criteria are followed:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The requirements are operated taking account of the principle of proportionality;</li> <li><input type="checkbox"/> Information from other sources is used as much as possible: much of the information proposed in CEIOPS' advice is already required either within the accounts, including the directors' report, or as part of the annual report (eg in a financial or business review); and</li> <li><input type="checkbox"/> The requirements of the SFCR are not more onerous than those other requirements (so even if information has to be re-presented to meet the requirements of the SFCR there should be no need to provide additional information over and above that presented in the report and accounts or other relevant documents).</li> </ul>	<p>The information provided for by this paragraph is intended not only for policyholders.</p> <p>See 665.</p>
668.	ACA – ASSOCIATION DES	3.103.	We consider that the proposed requirement under (e) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three	See comment to point 627.

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	COMPAGNIE S D'ASSURAN CES DU		<p>years" is excessive.</p> <p>Historical comparisons should be limited to the immediate prior year.</p> <p>CEIOPS has used a footnote (N°23) to indicate that undertakings are free to disclose further information if they wish on a voluntary basis but also CEIOPS will work on specifying further details here at Level 3.</p> <p>We suggest stopping the level of detail for future Level 3 requirements because it is already too detailed.</p> <p>Reporting for the past three years would be burdensome for undertakings (point e)).</p> <p>We would ask CEIOPS to replace "over the last three years" with "compared to the previous year". If three year reporting is required, a transition clause would be needed for the beginning of Solvency II.</p> <p>The legal and organizational group structure should be reported once in the group's SFCR and not in all solo SFCRs (point f)).</p> <p>Duplication of reporting has to be avoided to reduce administrative burden and costs of undertakings. We would like "including at least" to be deleted.</p>	<p>Noted.</p> <p>Noted.</p> <p>Phrase "including at least" is to be replaced with "which should include"</p>
669.			Confidential comment deleted	
670.	CEA, ECO-SLV- 09-453	3.103.	<p>We consider that the proposed requirement under (e) to describe "the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years" is excessive.</p> <p>Historical comparisons should be limited to the immediate prior year.</p> <p>Cerops has used a footnote (N°23) to indicate that undertakings are free to</p>	See 668.

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			<p>disclose further information if they wish on a voluntary basis but also Ceiops will work on specifying further details here at Level 3.</p> <p>We suggest stopping the level of detail for future Level 3 requirements because it is already too detailed.</p> <p>We object to requiring the disclosure of external auditors (point c)).</p> <p>Art. 50 (1) (a) requires a description of the business and the performance of the undertaking. Neither the name nor the address of the external auditors can be assumed to be part of a business or performance description. Hence, the requirement to publish the name and address of the external auditors has no legal basis in the Level I text - Ceiops is going beyond the Level I text. Point c) should be deleted.</p> <p>Reporting for the past three years would be burdensome for undertakings (point e)).</p> <p>We would ask Ceiops to replace “over the last three years” with “compared to the previous year”. If three year reporting is required, a transition clause would be needed for the beginning of Solvency II.</p> <p>The legal and organizational group structure should be reported once in the group’s SFCR and not in all solo SFCRs (point f)).</p> <p>Duplication of reporting has to be avoided to reduce administrative burden and costs of undertakings. We would like “including at least” to be deleted.</p>	<p>Agree. This information will remain only in RTS.</p> <p>See 668.</p>
671.	CRO Forum	3.103.	<p>We consider that the proposed requirement under (e) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p>	See 668.

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672.	European Insurance CFO Forum	3.103.	<p>The proposed level of granularity is excessive for the SFCR.</p> <p>The CFO Forum is concerned with the level of granularity of information implied by a) i.e.: split of business by line and country (with changes highlighted).</p> <p>The CFO Forum views the proposed requirement under e) to be excessive. Historical comparisons in relation to development and performance should be limited to the immediate prior year.</p>	<p>SFCR is to be a stand-alone document with all the information necessary to analyse the undertaking's solvency and financial condition. It should also allow achieving transparency to the public.</p> <p>See 668.</p>
673.	FFSA	3.103.	<p>The CEIOPS gives the description of business and external environment to provide by listing the different information that shall be included. CEIOPS has used a footnote (N°23) to indicate that undertakings are free to disclose further information if they wish on a voluntary basis but also CEIOPS will work on specifying further details here at Level 3.</p> <p>FFSA suggests to stop the level of detail for future Level 3 requirements because it is already too detailed.</p>	Noted
674.	German Insurance Association – Gesamtverb and der D	3.103.	<p>We consider that the proposed requirement under (e) to describe “the main trends and factors that have contributed positively or negatively to the development, performance and position of the undertaking over the last three years” is excessive.</p> <p>Historical comparisons should be limited to the immediate prior year.</p> <p>CEIOPS has used a footnote (N°23) to indicate that undertakings are free to disclose further information if they wish on a voluntary basis but also CEIOPS will work on specifying further details here at Level 3.</p> <p>We suggest stopping the level of detail for future Level 3 requirements because it is already too detailed.</p> <p>We object to requiring the disclosure of external auditors (point c)).</p> <p>Art. 50 (1) (a) requires a description of the business and the performance of</p>	<p>See 668.</p> <p>See 670.</p>

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			<p>the undertaking. Neither the name nor the address of the external auditors can be assumed to be part of a business or performance description. Hence, the requirement to publish the name and address of the external auditors has no legal basis in the Level I text - CEIOPS is going beyond the Level I text. Point c) should be deleted.</p> <p>Reporting for the past three years would be burdensome for undertakings (point e)).</p> <p>We would ask CEIOPS to replace “over the last three years” with “compared to the previous year”. If three year reporting is required, a transition clause would be needed for the beginning of Solvency II.</p> <p>The legal and organizational group structure should be reported once in the group’s SFCR and not in all solo SFCRs (point f)).</p> <p>Duplication of reporting has to be avoided to reduce administrative burden and costs of undertakings. We would like “including at least” to be deleted.</p>	See 668.
675.				
676.	Groupe Consultatif	3.103.	(to 3.109) See earlier comments	Noted
677.	Legal & General Group	3.103.	In general this is likely to be too granular and the analysis in (e) likely to be very onerous and capable of disclosing sensitive market data unless the requirement is interpreted at a high, “top firm” level.	See 665.
678.	Munich RE	3.103.	The proposed requirement under (e) seems to be excessive. Historical comparisons should be limited to the immediate prior year.	See 668.
679.	PricewaterhouseCoopers LLP	3.103.	We do not see why the name and address of the external auditors should be provided as a mandatory SFCR disclosure requirement. In particular, it should be ensured that the provision of such detail does not imply the SFCR	See 670.

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			has been subject to a greater scope of audit than is actually the case.	
680.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.104.	<p>We consider that the proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” is excessive.</p> <p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.</p>	CEIOPS will take this comment into account.
681.	Association of British Insurers	3.104.	We would recommend that “all subsidiaries” is replaced by “all insurance subsidiaries” to keep the scope of the document well defined and relevant.	See 680.
682.			Confidential comment deleted	
683.	CEA, ECO-SLV-09-453	3.104.	<p>We consider that the proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” is excessive.</p> <p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.</p>	See 680.
684.	CRO Forum	3.104.	We consider that the proposed requirement for groups to provide “all subsidiaries, significant material participations and key branches” to be excessive. Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.	See 680.
685.	European Insurance CFO Forum	3.104.	<p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and are therefore irrelevant in this context.</p> <p>The CFO Forum considers that the proposed requirement, for groups to provide “all subsidiaries, significant material participations and key branches” to be excessive.</p>	See 680.
686.	German	3.104.	We consider that the proposed requirement for groups to provide “all	See 680.



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	Insurance Association – Gesamtverb and der D		<p>subsidiaries, significant material participations and key branches” is excessive.</p> <p>Subsidiaries of international groups often include entities unrelated to the transaction of the business and which are therefore irrelevant in this context.</p>	
687.	Groupe Consultatif	3.104.	(to 3.109) See earlier comments	See 680.
688.	Munich RE	3.104.	<p>The proposed requirement duplicates 3.103. As group reporting will consider the information required under 3.103 a)-f) from the group's point of view, information on subsidiaries and participations which influence the group's development will be included automatically.</p> <p>We suggest that 3.104 be deleted.</p>	See 680.
689.	PricewaterhouseCoopers LLP	3.104.	The reference to “all subsidiaries” would more appropriately be “all significant subsidiaries” to avoid requiring detail of potentially large numbers of immaterial subsidiaries.	See 680.
690.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.105.	<p>The reporting requirements on the performance from underwriting activities are too burdensome.</p> <p>In our opinion the information requested should not be based on what might be beneficial for the supervisors when something possibly remote might occur but should be based on what information is necessary to protect the interests of the policyholders. The supervisor should make its case what objective is achieved in asking for the specific information. Too much information can also create non transparency.</p> <p>We suggest that the information reported should take into account the manner in which the management is viewing and analysing its business. This information should thus present a segmental information according to the view of the management as well as an insurer should not be required to present a different segmentation of its business within a predefined template solely for the purpose of the regulator especially if management does not use this segmentation.</p>	Please note that Public disclosure requirements are one of the cornerstones of Solvency II and convergence should be achieved in order to guarantee a level playing field and assist comparability. Therefore, a certain level of granularity is required.

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			Points a) and b): We consider that the proposed requirement to detail the undertaking's underwriting performance by material business line and geographical area might imply an excessive level of granularity.	
691.			Confidential comment deleted	
692.	CEA, ECO-SLV- 09-453	3.105.	<p>The reporting requirements on the performance from underwriting activities are too burdensome.</p> <p>In our opinion the information requested should not be based on what might be beneficial for the supervisors when something possibly remote might occur but should be based on what information is necessary to protect the interests of the policyholders. The supervisor should make its case what objective is achieved in asking for the specific information. Too much information can also create non transparency.</p> <p>We suggest that the information reported should take into account the manner in which the management is viewing and analysing its business. This information should thus present a segmental information according to the view of the management as well as an insurer should not be required to present a different segmentation of its business within a predefine template solely for the purpose of the regulator especially if management does not use this segmentation.</p> <p>Points a) and b): We consider that the proposed requirement to detail the undertaking's underwriting performance by material business line and geographical area might imply an excessive level of granularity.</p> <p>The proportionality principle should lead to an adequate aggregated level of information. This should include the possibility of reporting of combined lines of business (e. g. non-life as one segment). We assume that geographical areas refer to world regions and not to levels below jurisdictions (e. g. not northern Germany).</p>	Please note that Public disclosure requirements are one of the cornerstones of Solvency II and convergence should be achieved in order to guarantee a level playing field and assist comparability. Therefore, a certain level of granularity is required.

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			<p>We object to the splitting of the performance from underwriting activities from performance from investment activities.</p> <p>Art. 50 (1) a) requires a description of the performance of the undertaking (as a whole) without a split in different activities. Ceiops misinterprets the Level I text and adds additional requirements. In our view the overall performance is required. This is without prejudice that undertakings are free to disclose more granular information.</p> <p>For life insurers a split in underwriting and investment performance might be not feasible. In Germany local GAAP accounting for life insurers does not differentiate between underwriting and investment in the income statement.</p> <p>Annual reports in accounting are regarded as the main source for assessing the performance of an undertaking. Performance reporting for solvency purposes puts unnecessary burden to undertakings without benefit for users which would have to try to reconcile accounting and solvency performance.</p> <p>Point d): Group operations influencing a solo entity's management should always be published in a manner indicating that responsibility remains with the group. This information should be part of group's report only. (comment relates also to 3.108, 3.131).</p>	
693.	CRO Forum	3.105.	We consider that the proposed requirement to detail the undertaking's underwriting performance by material business line and geographical area implies an excessive level of granularity. In addition, if the requirement is for economic values to be reported rather than financial reporting values, this should be made clearer.	See comment to point 668.
694.	Danish	3.105.	Demand for information on operations and transactions within in a group	Noted

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	Insurance Association		should be aligned with similar demands in IAS 24. (See also 3.106 (c), 3.108 and 3.175)	
695.	European Insurance CFO Forum	3.105.	<p>To ensure consistency with 3.98a) it should be clearly stated that underwriting performance should be presented based on an administrative or management body's analysis.</p> <p>The basis of the Performance Reporting requirements is unclear and the disclosure of a P&amp;L (proposed templates – C2) mixing statutory and economic principles (discounted reserves, unwinding of discount) is confusing</p> <p><input type="checkbox"/> Performance reporting should be based on existing reporting frameworks (IFRS or else) – either management's view or published financial statements in order to avoid confusion in terms of financial communication and avoid undue costs.</p> <p><input type="checkbox"/> Setting up an economic profit and loss account would incur a high cost that was not in proportion to the benefit obtained.</p> <p>Movement analyses focusing on certain areas of the economic balance sheet between two annual reporting periods explaining main changes in available financial resources could be part of the private reporting to supervisors.</p>	Noted
696.	German Insurance Association – Gesamtverb and der D	3.105.	<p>The reporting requirements on the performance from underwriting activities are too burdensome.</p> <p>In our opinion the information requested should not be based on what might be beneficial for the supervisors when something possibly remote might occur but should be based on what information is necessary to protect the interests of the policyholders. The supervisor should make its case what objective is achieved in asking for the specific information. Too much information can also create non transparency.</p> <p>We suggest that the information reported should take into account the manner in which the management is viewing and analysing its business. This</p>	Noted

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			<p>information should thus present a segmental information according to the view of the management as well as an insurer should not be required to present a different segmentation of its business within a predefine template solely for the purpose of the regulator especially if management does not use this segmentation.</p> <p>Points a) and b): We consider that the proposed requirement to detail the undertaking's underwriting performance by material business line and geographical area might imply an excessive level of granularity.</p> <p>The proportionality principle should lead to an adequate aggregated level of information. This should include the possibility of reporting of combined lines of business (e. g. non-life as one segment). We assume that geographical areas refer to world regions and not to levels below jurisdictions (e. g. not northern Germany).</p> <p>We object to the splitting the performance from underwriting activities from performance from investment activities.</p> <p>Art. 50 (1) a) requires a description of the performance of the undertaking (as a whole) without a split in different activities. CEIOPS misinterprets the Level I text and adds additional requirements. In our view the overall performance is required. This is without prejudice that undertakings are free to disclose more granular information.</p> <p>For life insurers a split in underwriting and investment performance might be not feasible. In Germany local GAAP accounting for life insurers does not differentiate between underwriting and investment in the income statement.</p> <p>Annual reports in accounting are regarded as the main source for assessing the performance of an undertaking. Performance reporting for solvency</p>	<p>SFCR is to be a stand-alone document with all the information necessary to analyse the undertaking's solvency and financial condition. It should also allow achieving transparency to the public.</p>

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			<p>purposes puts unnecessary burden to undertakings without benefit for users which would have to try to reconcile accounting and solvency performance.</p> <p>Point d): Group operations influencing a solo entity's management should always be published in a manner indicating that responsibility remains with the group. This information should be part of group's report only. (comment relates also to 3.108, 3.131).</p>	
697.	Groupe Consultatif	3.105.	(to 3.109) See earlier comments	See earlier resolution
698.	Legal & General Group	3.105.	This will be commercially sensitive except at a "top firm" level. An approach would be for all firms to use IFRS rules for disclosure and to align IFRS with S II to minimise confusion over economic profit/loss. Also applies to section 3.106 and 3.107	Noted
699.	Lloyd's	3.105.	See comment under 3.98.	See resolution on 3.98
700.	Munich RE	3.105.	<p>In line with 3.98a) it has to be stated clearly that underwriting performance may be presented based on administrative or a management body's analysis</p> <p>The ideal is for close alignment of the Solvency II balance sheet and IFRS, thus avoiding the need to provide separate guidelines on the basis for determining economic profits or losses.</p> <p>An analysis of underwriting performance consistent with financial reporting would have the benefit of being audited and reliable.</p> <p>The proposed requirement to detail the undertaking's underwriting performance by material business line and material geographical area might imply an excessive level of granularity. The proposal under (c) to provide "information on underwriting expenses...compared to prior years" also seems to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>d) There is no Level 1 requirement to report on transactions with group</p>	<p>Noted</p> <p>See comment to point 668.</p>

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			<p>companies in the SFCR. Also in our opinion it would not be useful for the public to receive long lists of transactions with group companies. For a solo entity any transaction with group companies is as good as a transaction with third parties as long as it is performed at arm's length. At most, we could agree to transactions being reported that have not been carried out at arm's length. However we think that this reporting should be part of the RTS and not the SFCR. CP 61 deals with the reporting of intra-group transactions to supervisors. We would recommend that the paragraph be deleted and leave it to CP 61 to define reporting requirements on intra-group transactions.</p> <p>The information given should – as far as possible - coincide with financial reporting.</p> <p>It has to be stated clearly that information should follow the way the risks are managed internally. We understand that it is left to the discretion of the undertaking to decide on the scope concerning “material business line” or “material geographical area”.</p>	
701.	PricewaterhouseCoopers LLP	3.105.	<p>The distinction between underwriting activities and investment activities may be more familiar in certain territories for general insurers where the gains on investment activities are directly attributable to the shareholders. In long-term business this distinction may be less clear where investment gains may be attributable to both policyholders and shareholders and where shareholders' return from insurance activities may, for example, arise from management charges of funds under management which are in turn impacted by the performance from investment activities.</p> <p>Allowing more flexibility around the headings under which the performance of the undertaking may be presented will allow insurers to adopt a presentation that is most appropriate for their business.</p> <p>Where CEIOPS believes that the detailed reporting of performance by, for example, type of product, would be beneficial, this information could be included as part of the quantitative reporting templates.</p> <p>Undertakings may consider that some of the required information is commercially sensitive.</p>	Noted
702.	UNESPA –	3.105.	The reporting requirements should be better defined, avoiding duplications in	Noted

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	Association of Spanish Insurers and Reins		<p>the information already reported to the supervisor and with a level of detail, which protects the confidentiality that each undertaking must preserve.</p> <p>In order to promote comparability between undertakings, the performance of underwriting activities reporting should be defined (for example, premium and claim performance by type of product, reinsurance programs, etc.).</p> <p>The qualitative and quantitative information required for the report, should exclude the information already required by the local Supervisor, in order to limit time and effort for undertakings.</p> <p>The level of detail in the analysis should not be in conflict with the level of confidentiality that each undertaking should preserve.</p>	
703.	CEA, ECO-SLV-09-453	3.106.	<p>We assume that the information required on investment costs refer to direct investment costs only.</p> <p>See also comments to 3.99 and 3.105. We would like 3.106 to be combined with 3.105.</p>	Noted
704.	CRO Forum	3.106.	We would point out that, if the requirement is for economic values to be reported rather than financial reporting values, this should be made clearer.	Noted
705.	Danish Insurance Association	3.106.	<p>We assume that the information required on investment costs refer to direct investment costs only.</p> <p>Demand for information on operations and transactions within in a group should be aligned with similar demands in IAS 24. (See also 3.105 (d) , 3.108 and 3.175)</p>	Noted
706.	European Insurance CFO Forum	3.106.	Comments in 3.105 are also relevant here in respect of investment performance reporting.	Noted
707.	European	3.106.	The disclosure required by 3.106(c) for A5 regarding transactions with	Noted



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	Union member firms of Deloitte Touche To		shareholders and members of the administrative or management body is duplicated by the guidance at 3.320 for B1. We consider that the latter should be deleted.	
708.	German Insurance Association – Gesamtverb and der D	3.106.	We assume that the information required on investment costs refer to direct investment costs only.  See also comments to 3.99 and 3.105. We would like 3.106 to be combined with 3.105.	Noted
709.	Groupe Consultatif	3.106.	(to 3.109) See earlier comments	See earlier resolution
710.	Legal & General Group	3.106.	The same points as in 3.105 apply here.	See resolution on 3.105
711.	Munich RE	3.106.	b) The information requested seems to rely on IFRS accounting. We agree with CEIOPS that maximum use should be made of existing performance reporting. Comment on 3.98a) applies here also.  c) There is no Level 1 requirement to report on transactions with group companies in the SFCR. Also, in our opinion it would not be useful for the public to receive long lists of transactions with group companies. For a solo entity any transaction with group companies is as good as a transaction with third parties as long as it is performed at arm's length. At most, we could agree to transactions being reported that have not been carried out at arm's length. However we think that this reporting should be part of the RTS and not the SFCR. CP 61 deals with the reporting of intra-group transactions to supervisors. We would recommend that the paragraph be deleted and leave it to CP 61 to define reporting requirements on intra-group transactions.  The information given should – as far as possible - coincide with financial	Noted

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			reporting.	
712.	PricewaterhouseCoopers LLP	3.106.	See comments on paragraph 3.105 above.	See resolution on 3.105
713.	UNESPA – Association of Spanish Insurers and Reins	3.106.	<p>The reporting requirements should be better defined, avoiding duplications in the information already reported to the supervisor and with a level of detail, which protects the confidentiality that each undertaking must preserve.</p> <p>In order to promote comparability between Member States the performance of investment activities reporting should be defined (for example, investment variations, yields, portfolio distribution, P&amp;L, etc.).</p> <p>The qualitative and quantitative information required for the report, should exclude the information already required by the local Supervisor, in order to limit time and effort for undertakings.</p> <p>The level of detail in the analysis should not be in conflict with the level of confidentiality that each undertaking should preserve.</p>	Noted
714.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.107.	We suggest that the level of detail should be consistent with the information provided in the financial statements (ie. wages, rental expenses...).	Noted
715.	CEA, ECO-SLV-09-453	3.107.	<p>See comment to 3.105.</p> <p>We suggest that the level of detail should be consistent with the information provided in the financial statements (ie. wages, rental expenses...).</p>	See resolution on 3.105
716.	European Insurance	3.107.	Comments in 3.105 and 3.106 are also relevant here in relation to operating/other expenses.	See resolution on 3.105 and 3.106

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	CFO Forum			
717.	German Insurance Association – Gesamtverband der D	3.107.	<p>See comment to 3.105.</p> <p>We suggest that the level of detail should be consistent with the information provided in the financial statements (ie. wages, rental expenses...).</p>	See resolution on 3.105
718.	Groupe Consultatif	3.107.	(to 3.109) See earlier comments	See earlier resolution
719.	Legal & General Group	3.107.	As 3.105	See resolution on 3.105
720.	Munich RE	3.107.	The information given should – as far as possible - coincide with financial reporting.	Noted
721.	Danish Insurance Association	3.108.	Demand for information on operations and transactions within in a group should be aligned with similar demands in IAS 24. (See also 3.105 (d), 3.106 (c) and 3.175)	Noted
722.	Groupe Consultatif	3.108.	(to 3.109) See earlier comments	See earlier resolution
723.	Groupe Consultatif	3.109.	(to 3.109) See earlier comments	See earlier resolution
724.	AAS BALTA	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree</p>	<p>Noted.</p> <p>Further clarification on the alignment between remuneration and risk management will be</p>

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			on the final proposal and method of assessment to enable firms to adopt a single approach.	provided in the supervisory guidance of level 3.
725.	AB Lietuvos draudimas	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
726.	CEA, ECO-SLV-09-453	3.111.	Point e): We question the relevance of including this information in the SFCR. This is a far reaching requirement. This comment also refers to 3.127 d).	Disagreed.
727.	DENMARK: Codan Forsikring A/S (10529638)	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
728.	European Union member firms of Deloitte Touche To	3.111.	<p>3.111 (d);</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice</p>	Agreed. The text in 3.111.d will be aligned with the blue box text.
729.	Groupe	3.111.	While we agree that there should be public disclosure of remuneration policy,	Disagreed.

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	Consultatif		the comment under (e) is better provided privately.	
730.	Link4 Towarzystwo Ubezpieczeń SA	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
731.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
732.	RSA Insurance Group PLC	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
733.	RSA Insurance Ireland Ltd	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p>	<p>Noted.</p>

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			Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.	See resolution to comment 724.
734.	RSA - Sun Insurance Office Ltd.	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
735.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.111.	<p>Assessing the adequacy of a firm's governance structure would be largely subjective. Therefore, further clarity is needed to ensure all firms undertake the adequacy assessment in a consistent manner with appropriate benchmarks.</p> <p>Several other CPs notably Walker and the FSA Policy Statement on Remuneration require undertakings to align remuneration with risk management. Regulatory bodies both at national and EU level need to agree on the final proposal and method of assessment to enable firms to adopt a single approach.</p>	<p>Noted.</p> <p>See resolution to comment 724.</p>
736.	CEA, ECO-SLV-09-453	3.112.	We question the relevance of including this information in the SFCR.	Noted
737.			Confidential comment deleted	
738.	Just Retirement Limited	3.112.	This response also covers 3.113. This information is too onerous and too detailed. Firms should be required to report that they comply with the fit and proper requirements only. Further details can be made available to	Disagreed.

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			supervisors upon request.	
739.	Lucida plc	3.112.	This information is usually included in Report and Accounts. Is there a particular need to repeat it in this document? This comment also applies to 3.113	We do not recognise a common European wide Report and Account
740.	PricewaterhouseCoopers LLP	3.112.	We recommend that the expression "other key functions" be defined (for example, actuarial function, internal audit function).	Further clarification of 'other key functions' in 3.112 and 3.128 will be provided in supervisory guidance of level 3.
741.			Confidential comment deleted	
742.	CRO Forum	3.113.	Applies also to 3.129 We would point out that this requirement is superfluous, since the information in 3.112 will be sufficient for supervisory purposes. We do not think it is appropriate to publicly disclose how fitness and propriety are assessed.	Disagreed.
743.	European Insurance CFO Forum	3.113.	This requirement is superfluous. The information in 3.112 will be sufficient for supervisory purposes. This comment is also valid for 3.129.	Disagreed.
744.			Confidential comment deleted	
745.	Groupe Consultatif	3.113.	This goes beyond the bound of appropriate disclosure and it is not clear what value it adds for readers. We would be more comfortable with a requirement embracing only the functions specified in the directive and we believe relevant experience to be a key criterion in addition to those stated.	Further clarification of 'persons who effectively run the undertaking' in 3.113 will be provided in supervisory guidance of level 3.
746.	Legal & General Group	3.113.	Surely this is covered by 3.112 and can therefore be deleted	Disagreed.
747.	Dexia	3.114.	Please note that this is already disclosed in public financial statements.	Noted.

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748.	DIMA (Dublin International Insurance & Management	3.114.	Risk Management + ORSA; this should be a general overview for captive entities as they in part will rely on controls & procedures of captive managers. It will be case of documenting the board decisions. For ORSA, captives are realistically going to rely on the SCR model. Paragraphs 3.114 – 3.117	Noted
749.	Groupe Consultatif	3.114.	Risk management is one of any organisation's competitive competences and it should not be required to disclose this information publicly in detail. We prefer 'explain' to 'detail'	Agreed.
750.	Dexia	3.115.	Please note that this is already disclosed in public financial statements.	Noted.
751.	Belgian Coordination Group Solvency II (Assuralia/	3.116.	Depending of the scope of consolidation considered, SPV could be on the entity balance sheet.	Noted.
752.	CEA, ECO-SLV- 09-453	3.116.	Point b): We question the relevance of including this information in the SFCR.	Noted.
753.	Dexia	3.116.	Please note that this is already disclosed in public financial statements.	Noted.
754.	European Union member firms of Deloitte Touche To	3.116.	3.116 (a), (b) and (c);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Agreed. The text in 3.116 a, b and c will be aligned with the blue box text.
755.	Groupe Consultatif	3.116.	Other than in the most general terms, this information is inappropriate for public disclosure.	Disagreed.
756.	Just Retirement	3.116.	This information is not required to be publicly reported – can be provided through supervisory reporting or review process.	Disagreed.



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	Limited			
757.	AAS BALTA	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	Disagreed.
758.	AB Lietuvos draudimas	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	Disagreed.
759.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.117.	We are pleased that CEIOPS are proposing flexibility in the reporting of the ORSA.  We believe that the points a)-d) will be sufficient. We strongly agree that the results of the ORSA process should be subject to private but not public disclosure. This is because of the commercial sensitivity of such forward-looking information and projections. If internal models are used in the ORSA process, it would be not appropriate to require publishing results of internal model calculations.	Noted.
760.			Confidential comment deleted	
761.	CEA, ECO-SLV-09-453	3.117.	We are pleased that Ceiops are proposing flexibility in the reporting of the ORSA.  We believe that the points a)-d) will be sufficient. We strongly agree that the results of the ORSA process should be subject to private but not public disclosure. This is because of the commercial sensitivity of such forward-looking information and projections. If internal models are used in the ORSA process, it would be not appropriate to require publishing results of internal model calculations.	Noted.
762.	CRO Forum	3.117.	Applies also to 3.132  We strongly agree that the results of the ORSA process should be subject to private but not public disclosure, due to the commercial sensitivity of such forward-looking information and projections.  Proposed flexibility in the ORSA reporting is welcomed. Points a)-d) are	Noted.

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			<p>believed to be sufficient for the RTS, however the proportionality principle needs to be applied in relation to smaller entities.</p> <p>Any public disclosure in relation to the ORSA should be considered once a formal definition of ORSA content has been decided.</p>	
763.	DENMARK: Codan Forsikring A/S (10529638)	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	Disagreed.
764.	European Insurance CFO Forum	3.117.	<p>The ORSA process is commercially sensitive and should not be in the public disclosure.</p> <p>The CFO Forum strongly agrees that the results of the ORSA process should be subject to private but not public disclosure. This is because of the commercial sensitivity of such forward-looking information and projections.</p> <p>Proposed flexibility in the ORSA reporting is welcomed.</p> <p>The CFO Forum is pleased that CEIOPS are proposing flexibility in the reporting of the ORSA and believes that the points a)-d) will be sufficient for the RTS.</p>	Disagreed.
765.	German Insurance Association – Gesamtverb and der D	3.117.	<p>We are pleased that CEIOPS are proposing flexibility in the reporting of the ORSA.</p> <p>We believe that the points a)-d) will be sufficient. We strongly agree that the results of the ORSA process should be subject to private but not public disclosure. This is because of the commercial sensitivity of such forward-looking information and projections. If internal models are used in the ORSA process, it would be not appropriate to require publishing results of internal model calculations.</p>	Noted.
766.	Groupe Consultatif	3.117.	We agree with the disclosure of sufficient detail about the ORSA process for the reader to form an impression of the robustness of the process – organisations should not be required to go beyond this. The requirement	Noted.

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			looks about right.	
767.	Just Retirement Limited	3.117.	This information is not required to be publicly reported – can be provided through supervisory reporting or review process.	Disagreed.
768.	KPMG ELLP	3.117.	<p>We agree with the comments in footnote 24 that the process to fulfil the ORSA requirements should be made public in the SCFR whereas the results of the ORSA should be privately reported in the RTS. The intention is that the ORSA represents the undertaking's own assessment of the capital required to support the risks it is exposed. Such information is likely to be beneficial to competitors.</p> <p>We however consider it would be useful for (re)insurance undertakings/insurance groups to disclose whether 'Own funds' are sufficient to cover the undertakings/groups capital needs as determined by its ORSA process both currently and going forward.</p>	<p>Noted.</p> <p>Noted</p>
769.	Link4 Towarzystw o Ubezpieczeń SA	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	Disagreed.
770.	Lloyd's	3.117.	We agree that the results of the ORSA process should be subject to private but not public disclosure, due to the confidential and commercially sensitive nature of the forward-looking information and projections contained therein.	Disagreed.
771.	Lucida plc	3.117.	<p>It isn't clear that a description of the ORSA process, absent of the ORSA answer, will add value to the disclosures.</p> <p>This comment also applies to 3.132</p>	Noted.
772.	NORWAY: Codan Forsikring (Branch Norway)	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	Disagreed.

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	(991 502			
773.	RSA Insurance Group PLC	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	See resolution to comment 772.
774.	RSA Insurance Ireland Ltd	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	See resolution to comment 772.
775.	RSA - Sun Insurance Office Ltd.	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	See resolution to comment 772.
776.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.117.	We consider that details of our ORSA should remain private and for the RTS only but the proposed high level information for the SFCR is acceptable.	See resolution to comment 772.
777.	Belgian Coordination Group Solvency II (Assuralia/	3.118.	We think that the level of information required to answer the question is normally very important. Should the information be limited, it will be of no relevance. Consequently, we think this information is not useful.	Noted.
778.	DIMA (Dublin International Insurance & Management	3.118.	Captives rely for the most part on the controls of captive managers and other service providers. Paragraphs 3.118 – 3.124	Noted, but captives are like any other undertaking in the Directive
779.	Groupe Consultatif	3.118.	There are precedents for such disclosures in legislation or codes relating to corporate governance in various countries. This requirement should reinforce but not go beyond existing best practice.	Noted.
780.	Lucida plc	3.118.	We would question the value of the information provided though it may be	Noted.

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			useful for companies to report on any material breakdown in systems and controls. The proposed requirements would be too difficult to describe succinctly enough to serve any useful purpose.	
781.	Dexia	3.119.	Please note that this is already disclosed in public financial statements.	Noted.
782.	PricewaterhouseCoopers LLP	3.119.	The SFCR requires a high level of detail on processes. This may prove onerous for larger and more complex organisations with complex processes, particularly in those territories where similar requirements have not existed previously, and may result in organisations publically disclosing information at a level similar to Sarbanes-Oxley level documentation. This may be a significant burden for some organisations in some territories and may not be seen to provide sufficient benefit to the public.	Noted.
783.	Belgian Coordination Group Solvency II (Assuralia/	3.123.	How can an entity assess that a salaried actuary is practically “free from influence”?	This comment does not apply to CP 58 but to CP 33. Alignment between CP 33 and CP 58. Further clarification of the disclosure requirements in relation will provided in the supervisory guidance of level 3.
784.	CEA, ECO-SLV-09-453	3.123.	There is no requirement in the Level 1 text stating that the actuarial function should be “free from influence of other functions or the administrative body”. Therefore we do not believe that this requirement is relevant. This comment also refers to 3.137.	See resolution to comment 783.
785.	CRO Forum	3.123.	Refers also to 3.137  We would point out that there is no requirement in the Level 1 text stating that the actuarial function should be “free from influence of other functions or the administrative body”. Whilst independence and professionalism are important attributes of the actuarial role, complete freedom from influence is, in practice, unrealistic.	See resolution to comment 783.
786.	European	3.123.	Comments in 3.137 are also relevant here.	See resolution to comment 783.

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	Insurance CFO Forum			
787.				
788.	Institut des actuaires (France)	3.123.	<p>Please refer to Institut des Actuaires' comment on CP 33 on the independence of the actuarial function (an extract of which is provided below).</p> <p>"Independence and ability are essential for a quality practice of the actuarial function; the board should ensure the permanence of independency of actuarial function. To provide professional advice and ensure that board members have sufficient understanding and information about the actuarial function holder's opinions, IA suggests requiring that actuarial function responsible have direct access to board members."</p>	See resolution to comment 783.
789.	Just Retirement Limited	3.123.	This information is not required to be publicly reported – can be provided through supervisory reporting or review process.	Disagreed.
790.	AAS BALTA	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	Disagreed.
791.	AB Lietuvos draudimas	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 790.
792.	DENMARK: Codan Forsikring A/S (10529638)	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 790.
793.	Groupe Consultatif	3.124.	A brief comment on the rationale for outsourcing and for the choice of outsourced provider would be appropriate.	Agreed to add the rationale for outsourcing.
794.	Just Retirement	3.124.	This information is not required to be publicly reported – can be provided through supervisory reporting or review process.	See resolution to comment 789.

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	Limited			
795.	Link4 Towarzystwo Ubezpieczeń SA	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 790.
796.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 795.
797.	RSA Insurance Group PLC	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 795.
798.	RSA Insurance Ireland Ltd	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 795.
799.	RSA - Sun Insurance Office Ltd.	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 795.
800.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.124.	The reporting requirements and supervision of internal outsourcing should be based on a lighter-touch approach, taking into account existing group supervision.	See resolution to comment 795.
801.	ACA – ASSOCIATION DES COMPAGNIE	3.127.	Reporting of general governance requirements is too detailed.  Point a): CEIOPS requires that the “overview of the governance structure” includes an assessment of the adequacy of the undertaking’s system of	Disagreed.

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	S D'ASSURAN CES DU		<p>governance or the group's risk profile. Instead of "assessment of the adequacy of its system of governance for the (...) risk profile", we would prefer "description" which is more neutral and objective.</p> <p>Point (d) requires an explanation of how the administrative or management body have considered remuneration policies and the relevant controls. We would like to have this point deleted as it is too sensitive to report through a public report.</p> <p>We would also the words "at least" to be deleted from the beginning of 3.127.</p>	<p>See resolution to comment 803.</p> <p>Disagreed.</p>
802.	Association of British Insurers	3.127.	<p>This response covers paragraphs 3.127 to 3.141. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>In addition we do not believe that it is appropriate for some of this information to be reported publicly at detailed level (although full details should be given in the RTS) – details of internal processes can be commercially confidential.</p> <p>We note that paragraph 3.137 describes the actuarial function as being 'free from influence of other functions or the administrative or management body'. We agree that the actuarial function should be independent and operate to high professional standards but believe that the suggested level of independence is impossible to achieve, particularly for smaller bodies where many functions will be carried out by a small number of staff.</p>	<p>Disagreed.</p> <p>See resolution to comment 783.</p>
803.	CEA, ECO-SLV- 09-453	3.127.	<p>Reporting of general governance requirements is too detailed.</p> <p>Point a): Ceiops requires that the "overview of the governance structure" includes an assessment of the adequacy of the undertaking's system of governance or the group's risk profile. Instead of "assessment of the adequacy of its system of governance for the (...) risk profile", we would prefer "description" which is more neutral and objective.</p> <p>Point (d) requires an explanation of how the administrative or management</p>	<p>Disagreed.</p> <p>Disagreed. There is a material difference in the meaning of the words assessment and description.</p>



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			body have considered remuneration policies and the relevant controls. We would like to have this point deleted as it is too sensitive to report through a public report.  We would also the words “at least” to be deleted from the beginning of 3.127.	Disagreed.  Disagreed.
804.	FFSA	3.127.	a) The CEIOPS requires that the “overview of the governance structure” includes an assessment of the adequacy of the undertaking’s system of governance or the group’s risk profile  Instead of “assessment of the adequacy of its system of governance for the (...) risk profile”, FFSA would prefer “description” which is more neutral and objective.  d) The CEIOPS wants to explain how the administrative or management body have considered remuneration policies - including the relationship between remuneration and risk - and the relevant controls  FFSA believes that this information is too sensitive to be provided through a public report	See resolution to comment 803.       Disagreed.
805.	German Insurance Association – Gesamtverb and der D	3.127.	Reporting of general governance requirements is too detailed.  Point a): CEIOPS requires that the “overview of the governance structure” includes an assessment of the adequacy of the undertaking’s system of governance or the group’s risk profile. Instead of “assessment of the adequacy of its system of governance for the (...) risk profile”, we would prefer “description” which is more neutral and objective.  Point (d) requires an explanation of how the administrative or management body have considered remuneration policies and the relevant controls. We would like to have this point deleted as it is too sensitive to report through a public report.  We would also the words “at least” to be deleted from the beginning of 3.127.	Disagreed.  See resolution to comment 803.       Disagreed.
806.				

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807.	Groupe Consultatif	3.127.	See earlier comment.	This presumably refers to 3.111. Noted.
808.	Legal & General Group	3.127.	We believe that the proposal from 3.127 - 3.141 should not be publicly disclosed due to commercial sensitivity.	Disagreed.
809.	Pearl Group Limited	3.127.	<p>This response covers paragraphs 3.127 to 3.141. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>In addition we do not believe that it is appropriate for some of this information to be reported publicly at a high level of detail (although full details should be given in the RTS) – details of internal processes can be commercially confidential.</p> <p>We note that paragraph 3.137 describes the actuarial function as being ‘free from influence of other functions or the administrative or management body’. We agree that the actuarial function should be independent and operate to high professional standards but believe that the suggested level of independence is impossible to achieve, particularly for smaller bodies, and suggests that the actuarial function should be separate from other parts of the organisation in a way that is not consistent with the proper functioning of the firm.</p>	<p>Disagreed.</p> <p>See resolution to comment 783.</p>
810.	ROAM (Réunion des Organismes d'Assurance Mutue	3.127.	<p>a) CEIOPS requires that the “overview of the governance structure” includes an assessment of the adequacy of the undertaking's governance system to the group's risk profile. Instead of “assessment of the adequacy of its system of governance for the (...) risk profile”, ROAM would prefer “description” which is more neutral and objective.</p> <p>d) ROAM believes that this information (e.g explanation of the Board motivations about the definition of policies remuneration in relation to risk) is too sensitive – and so irrelevant - to be provided through a public report.</p> <p>As regards the remuneration policy bound to the risk, ROAM suggests to add</p>	<p>Disagreed.</p> <p>See resolution to comment 803.</p> <p>Disagreed.</p> <p>Disagreed</p>

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			"if necessary" in this sentence, since all undertakings do not practice this kind of policy.	
811.	XL Capital Ltd	3.127.	Some of the information required in para 3.127 to 3.141 is commercial sensitive and confidential (e.g. description of outsourcing arrangements), and we have concerns about it being disclosed in the SFCR.	Disagreed.
812.	AAS BALTA	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
813.	AB Lietuvos draudimas	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
814.	CEA, ECO-SLV-09-453	3.128.	See comment to 3.129.  We believe that the "fit and proper" information could be limited (for a public reporting) to confirming that people involved in key functions have enough skills/knowledge/expertise to manage the undertaking.	Noted.  Disagreed.
815.	DENMARK: Codan Forsikring A/S (10529638)	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
816.	FFSA	3.128.	The CEIOPS requires to provide general information about both fitness/propriety and skills/knowledge/expertise of the persons running the undertaking  FFSA believes that these information relating to "Fit and Proper" are too detailed for a public reporting	Disagreed.
817.	German Insurance Association –	3.128.	See comment to 3.129.  We believe that the "fit and proper" information could be limited (for a public	Noted.  Disagreed.

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	Gesamtverb and der D		reporting) to confirming that people involved in key functions have enough skills/knowledge/expertise to manage the undertaking.	
818.	Legal & General Group	3.128.	See 3.127	Noted.
819.	Link4 Towarzystw o Ubezpieczeń SA	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
820.	Munich RE	3.128.	It is not clear to us what is meant by “general information” on fitness and propriety.	Further clarification ‘general information of fitness and propriety’ will be provided in supervisory guidance of level 3.
821.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
822.	Pricewaterho useCoopers LLP	3.128.	The information on fitness and propriety should be required to include only senior management, and undertakings should be allowed to apply a level of proportionality.  We recommend that the expression “other key functions” be defined (for example, actuarial function, internal audit function).	See resolution to comment 740.
823.	ROAM (Réunion	3.128.	ROAM does not think this information is relevant to be reported through the SFCR	Disagreed.

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	des Organismes d'Assurance Mutue			
824.	RSA Insurance Group PLC	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
825.	RSA Insurance Ireland Ltd	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
826.	RSA - Sun Insurance Office Ltd.	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
827.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.128.	It is more appropriate to refer to the process of determining Fit and Proper rather comment on specific individuals.	See resolution to comment 736.
828.	UNESPA – Association of Spanish Insurers and Reins	3.128.	Requirements related to Fitness & Propriety should be focused in Senior Management, and must ensure that level of proportionality, regarding the complexity of the businesses, is being considered.	See resolution to comment 740.
829.	CEA, ECO-SLV-09-453	3.129.	Reporting of fit and proper requirements is too detailed and the information could be confidential.  In our view 3.128 is sufficient and 3.129 should be deleted. In practice it would be difficult to provide the information required by 3.129 as the skills, knowledge and expertise required for a particular post depend on the skills, knowledge and expertise in other posts. For example, if we take the case of skills, knowledge and expertise required of a Board member, this will depend	Disagreed.  Disagreed.

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			on the mix of skills, knowledge and expertise already present at the Board. The emphasis should be on the Board having the responsibility to staff both the Board and key posts with appropriate people. It is difficult to have set minimum requirements. There may also be issues with confidentiality of information.	
830.	CRO Forum	3.129.	See comment to 3.113.	Noted.
831.	European Insurance CFO Forum	3.129.	This requirement is superfluous. The information in 3.112 will be sufficient for supervisory purposes. Comments in 3.113 are also relevant here.	Disagreed.
832.	FFSA	3.129.	The CEIOPS requires to provide general information about both fitness/ propriety and skills/knowledge/expertise of the persons running the undertaking  FFSA believes that these information relating to “Fit and Proper” are too detailed for a public reporting	Noted.  Disagreed.
833.	German Insurance Association – Gesamtverb and der D	3.129.	Reporting of fit and proper requirements is too detailed and the information could be confidential.  In our view 3.128 is sufficient and 3.129 should be deleted. In practice it would be difficult to provide the information required by 3.129 as the skills, knowledge and expertise required for a particular post depend on the skills, knowledge and expertise in other posts. For example, if we take the case of skills, knowledge and expertise required of a Board member, this will depend on the mix of skills, knowledge and expertise already present at the Board. The emphasis should be on the Board having the responsibility to staff both the Board and key posts with appropriate people. It is difficult to have set minimum requirements. There may also be issues with confidentiality of information.	Disagreed.  Noted.
834.	Groupe	3.129.	See earlier comment.	This refers to 3.113. See

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	Consultatif			resolution to comment 745.
835.	KPMG ELLP	3.129.	We believe this runs the risk of generic disclosures, and some further guidance on what is envisaged would be helpful.	Further clarification of 3.129 will be provided in supervisory guidance of level 3.
836.	Legal & General Group	3.129.	See 3.127	Noted.
837.	ROAM (Réunion des Organismes d'Assurance Mutue	3.129.	ROAM does not think this information is relevant to be reported through the SFCR	Disagreed.
838.	UNESPA – Association of Spanish Insurers and Reins	3.129.	The information to report entitles some minimum requirements, nevertheless, in many cases the level of detail is complicated to be properly defined (skills, knowledge and expertise, etc.), and additionally, there may also be issues with confidentiality, therefore the reference should be deleted.	Noted.
839.	CRO Forum	3.130.	We consider it excessive that an undertaking should have to publicly describe how it considers its risk management system to be effective. A statement that the risk management system is effective should suffice for SFCR purposes with any details around the process being disclosed as part of RTS process.	Disagreed.
840.	Groupe Consultatif	3.130.	See earlier comment.	Noted.
841.	Legal & General Group	3.130.	See 3.127	Noted.
842.	CEA,	3.131.	We do not agree with the disclosure of relevant arrangements at group level that influence the risk management decisions of the undertaking.	

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	ECO-SLV-09-453		We believe that this disclosure should not be publicly reported since some of these arrangements can be too sensitive or can hold too strategic information.	Disagreed.
843.	FFSA	3.131.	The CEIOPS requires disclosing relevant arrangements at group level that influence the risk management decisions of the undertaking.  FFSA believes that this disclosure should not be publicly reported since some of these arrangements can be too sensitive or can hold too strategic information.	Disagreed.
844.	German Insurance Association – Gesamtverb and der D	3.131.	We do not agree with the disclosure of relevant arrangements at group level that influence the risk management decisions of the undertaking.  We believe that this disclosure should not be publicly reported since some of these arrangements can be too sensitive or can hold too strategic information.	See resolution to comment 842.
845.	Legal & General Group	3.131.	See 3.127	Noted.
846.	CEA, ECO-SLV-09-453	3.132.	The footnote to 3.117 states that the process to fulfil the ORSA requirements should be made public whereas the results of the ORSA should be privately reported in the RTS. We would ask for the this statement to be also included in the advice in 3.132. Now 3.132 can be misleading. We support the disclosure of the process but the results of the ORSA can be too sensitive to be disclosed publicly.	Clarified
847.	CRO Forum	3.132.	The results of the ORSA process should be subject to private but not public disclosure, due to the commercial sensitivity of such forward-looking information and projections.  Any public disclosure in relation to the ORSA should be considered once a	Disagreed wrt the process of ORSA.



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			formal definition of ORSA content has been decided.	Noted.
848.	European Insurance CFO Forum	3.132.	<p>Information regarding the ORSA should not be publicly disclosed as it can mislead the public and is commercially sensitive.</p> <p>The proposal to publicly disclose information regarding the ORSA should be considered once a formal definition of what the ORSA is has been decided.</p> <p>Some of the information to be disclosed is already covered through the SFCR, e.g. Risk Governance, while other aspects of the ORSA such as Capital Requirements could potentially be difficult for the public to understand and are commercially sensitive information.</p> <p>We recommend that ORSA related information is only disclosed to the supervisors, and not publicly.</p>	<p>Disagreed wrt the process of ORSA.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p>
849.	FFSA	3.132.	<p>CEIOPS proposes to publicly disclose information regarding ORSA.</p> <p>FFSA thinks that at this stage it would be better first to clearly define what the ORSA precisely is. Then, at this stage, FFSA understands that ORSA has different aspects such as risk governance process, or a different capital calculation. FFSA thinks that part of this information could already have been given in the SFCR since it already requires information on Risk Governance. Regarding Capital requirements it could be the same than the results of the internal model (CEIOPS stated on its paper on ORSA that if an internal model is used, it has to be used also for the ORSA process), or it could be another one but difficult to understand by the public (what is the difference with the SCR etc...). Therefore FFSA recommends that information regarding ORSA, that could mislead the public, is not publicly disclosed but only given to the supervisors.</p>	Noted.
850.	German Insurance Association – Gesamtverb and der D	3.132.	The footnote to 3.117 states that the process to fulfil the ORSA requirements should be made public whereas the results of the ORSA should be privately reported in the RTS. We would ask for the this statement to be also included in the advice in 3.132. Now 3.132 can be misleading. We support the disclosure of the process but the results of the ORSA can be too sensitive to be disclosed publicly.	Noted.

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851.	Groupe Consultatif	3.132.	See earlier comment.	Noted.
852.	KPMG ELLP	3.132.	See 3.117	Noted.
853.	Legal & General Group	3.132.	See 3.127 except that it should be possible to produce a short ORSA summary that is not commercially sensitive but provides public comfort about the robustness of the own risk assessment process.	Noted.
854.	ROAM (Réunion des Organismes d'Assurance Mutue	3.132.	CEIOPS proposes to publicly disclose information regarding ORSA.  At this stage, ROAM thinks that it would be better to clearly define what the ORSA precisely is. Indeed at this stage, it is considered as an irrelevant and redundant tool in relation to the multiple quantitative and qualitative requirements already foreseen by the directive.  Moreover, ROAM wonders about the relevance to communicate ORSA information to the public. This requirement could further complicate the information given to the public.	Noted.  Noted.
855.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.133.	We believe that the information to be provided should be limited to the main Internal Control actions and tools set by the company to face potential risks of its business.	Noted.
856.	CEA, ECO-SLV-09-453	3.133.	We believe that the information to be provided should be limited to the main Internal Control actions and tools set by the company to face potential risks of its business.	Disagreed.
857.	German Insurance Association –	3.133.	We believe that the information to be provided should be limited to the main Internal Control actions and tools set by the company to face potential risks of its business.	See resolution to comment 857.

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	Gesamtverb and der D			
858.	Groupe Consultatif	3.133.	See earlier comment.	Noted.
859.	Legal & General Group	3.133.	See 3.127	Noted.
860.	ROAM (Réunion des Organismes d'Assurance Mutue	3.133.	ROAM approves the principle of proportionality applied in the internal control procedures.  Given the quantity of information requested, it seems obvious for ROAM that the internal control report will disappear (R336-1 of the Insurance Code / France).	See resolution to comment 783.
861.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN CES DU	3.134.	See comment to 3.133.	Noted.
862.	CEA, ECO-SLV- 09-453	3.134.	See comment to 3.133.	Noted.
863.	Legal & General Group	3.134.	See 3.127	Noted.
864.	Legal & General Group	3.135.	See 3.127	Noted.

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865.	ROAM (Réunion des Organismes d'Assurance Mutue	3.135.	Although it is not indicated in the advice about internal audit, ROAM considers that the principle of proportionality applies also on that subject.	See resolution to comment 783.
866.	Legal & General Group	3.136.	See 3.127	Noted.
867.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN CES DU	3.137.	See comment to 3.123.  We believe that the information to be provided are too detailed for a public reporting.	Disagreed.
868.	CEA, ECO-SLV- 09-453	3.137.	See comment to 3.123.  We believe that the information to be provided are too detailed for a public reporting.  We also cannot understand how to comply with the actuarial function being “free from influence of other functions”? The actuarial function might be part of the management body.	Noted.  See resolution to comment 783.
869.	CRO Forum	3.137.	See comment to 3.123.	See resolution to comment 783.
870.	European Insurance CFO Forum	3.137.	This proposal is considered irrelevant as under the Level 1 text, there is no requirement for the actuarial function to be “free from influence of other functions or the administrative body”.	See resolution to comment 783.

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871.	German Insurance Association – Gesamtverb and der D	3.137.	<p>See comment to 3.123.</p> <p>We believe that the information to be provided are too detailed for a public reporting.</p> <p>We also cannot understand how to comply with the actuarial function being “free from influence of other functions”? The actuarial function might be part of the management body.</p>	<p>Noted.</p> <p>See resolution to comment 783.</p>
872.	Groupe Consultatif	3.137.	<p>We agree with the intent here, although it may be more straightforwardly satisfied by a requirement in relation to the RTS.</p> <p>What would be considered a sufficient level of independence and how would that measured and evidenced in a report? We note that the independence of the actuarial function was not formulated in the Directive or earlier CPs but we fully support this and recommend to clarify in any implementation measures on governance.</p>	<p>Noted.</p> <p>See resolution to comment 783.</p>
873.	Legal & General Group	3.137.	Under the level 1 Directive the actuarial function does not have to be “free of influence from other functions”. In small firms many of the control functions will be done by a small number of people.	See resolution to comment 783.
874.	Munich RE	3.137.	The actuarial function (actuary) could be a part of the management body, in which case the requirement that the actuarial function be “...free from influence of other functions or the administrative or management body” is not realistic.	See resolution to comment 783.
875.	ROAM (Réunion des Organismes d'Assurance Mutue	3.137.	Although it is not indicated in the advice about actuarial function, ROAM considers that the principle of proportionality applies also on that subject.	See resolution to comment 783.
876.	UNESPA –	3.137.	The segregation of duties and the level of independence between risk	See resolution to comment 783.

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	Association of Spanish Insurers and Reins		Management and the actuarial function must be coherent with the proportionality principle.	
877.	CEA, ECO-SLV-09-453	3.138.	We do not agree with disclosing an overview of outsourcing of any critical/important operational functions and activities. We believe that this information is too detailed for public reporting.	Disagreed.
878.	CRO Forum	3.138.	We do not consider that an overview of the outsourcing of any critical/important operational functions and activities is appropriate for public disclosure.	See resolution to comment 877.
879.	FFSA	3.138.	The CEIOPS requires to disclose an overview of outsourcing of any critical/important operational functions and activities FFSA believes that this information is too detailed for a public reporting	See resolution to comment 877.
880.	German Insurance Association – Gesamtverb and der D	3.138.	We do not agree with disclosing an overview of outsourcing of any critical/important operational functions and activities. We believe that this information is too detailed for public reporting.	See resolution to comment 877.
881.	Groupe Consultatif	3.138.	See earlier comment.	See resolution to comment 793.
882.	CEA, ECO-SLV-09-453	3.139.	See comment to 3.138.	Noted.
883.				
884.	FFSA	3.139.	The CEIOPS requires to disclose an overview of outsourcing of any critical/important operational functions and activities	See resolution to comment 877.

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			FFSA believes that this information is too detailed for a public reporting	
885.	German Insurance Association – Gesamtverb and der D	3.139.	See comment to 3.138.	Noted.
886.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.142.	We would request clarification of the reasoning behind the separate categorisation of ALM risk in section C6. It is not clear how this is distinguished from market and underwriting risk.	Noted. See comments 524.
887.			Confidential comment deleted	
888.	Belgian Coordination Group Solvency II (Assuralia/	3.142.	There is quasi no information provided. Question: Why is ALM risk separated from underwriting and market risks?	See comments 524.
889.	CEA, ECO-SLV-09-453	3.142.	We would request clarification of the reasoning behind the separate categorisation of ALM risk in section C6. It is not clear how this is distinguished from market and underwriting risk.	See comments 524.
890.	CRO Forum	3.142.	Refers also to 3.150  We would ask for the justification for making ALM risk a separate risk category in section C5. It is not clear how this is distinguished from market and underwriting risk. However we agree that risk in relation to ALM should be managed and reported.	See comments 524.

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			Public disclosure of commercially sensitive information must be avoided. Better understanding is needed of what “sensitivity analysis” of risk exposures would include.	See comments 887.
891.	Dexia	3.142.	Please refer to 3.119.	
892.	DIMA (Dublin International Insurance & Management	3.142.	Captive entities should expect to provide a high level review only and rely on the model to provide the detail. The principle of proportionality should apply and the level of detail should be in line with the nature, scale and complexity of the captive business. Will captives be expected to develop comprehensive risk sensitivity analysis and disclose them? Paragraphs 3.142 – 3.148	Noted on the comment re proportionality. Captives will be expected to develop comprehensive risk sensitivity analysis and disclose them to the extent risks relate to captives.
893.	European Insurance CFO Forum	3.142.	Clarification of the purpose of ALM risk in section C6 is required.  The CFO Forum request clarification of the reasoning behind the separate categorisation of ALM risk in section C6. It is not clear how this is distinguished from market and underwriting risk.	See comments 524.
894.			Confidential comment deleted	
895.	German Insurance Association – Gesamtverb and der D	3.142.	We would request clarification of the reasoning behind the separate categorisation of ALM risk in section C6. It is not clear how this is distinguished from market and underwriting risk.	See comments 524.
896.				
897.	Munich RE	3.142.	We do not understand the distinction between market and ALM risk.  The term “sensitivity” seems well-defined for market and credit risk. However, there is no canonical definition in the case of insurance and especially P&C risks. In addition, sensitivity analyses do not make sense in the case of liquidity and operational risk if the definition from market risk is applied.	Noted. See comments in 887.
898.	Pricewaterho	3.142.	We note that many of the requirements of the SFCR in this area are closely	Agreed.



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	useCoopers LLP		<p>aligned with existing disclosures under IFRS – see comments on paragraph 3.30 in this regard.</p> <p>Paragraph 3.142 as drafted would appear to indicate that risk exposure, concentration, mitigation and sensitivity would be reported within categories C.1 – C.7 for each category of risk. However, in paragraph 3.86 it is indicated that risk exposure, concentration, mitigation and sensitivity would be reported in categories C.8 – C.11 respectively. Clarification of the intention in this regard should be given.</p> <p>It would seem appropriate to allow reporting of risk exposure, concentration, mitigation and sensitivity by type of risk (i.e. with C.1-C.7 as opposed to separately within C.8 – C.11).</p> <p>In addition, consideration should be given to allowing liquidity risk and ALM risk to be reported together as a single category, where proportionate.</p>	<p>Noted. CEIOPS has modified CP58 to avoid any confusion.</p> <p>Noted. CEIOPS has modified CP58 to avoid any confusion.</p> <p>Noted. See comments in 524.</p>
899.	XL Capital Ltd	3.142.	<p>An undertaking should provide a description separately for each category of risk, of the risk exposure, concentration, mitigation and sensitivity. This information should be provided by material risk category below (except where specific risks are mentioned)..."</p> <p>The level of disclosure appears too onerous and not aligned with the principle of proportionality. While we agree that the RTS should include information by risk type at a fine level, we believe that the SFCR should be more aggregated and summarised.</p>	<p>CEIOPS disagrees with this comment as the public disclosures on risk management compliment the pro-disclosure regime of Solvency 2. See also comments in 887 on sensitivity analysis.</p>
900.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCE	3.143.	<p>Further clarification is required on other material risks.</p> <p>Custodian risks and settlement risks are new concepts within Solvency II and could therefore need some explanation/definition from CEIOPS.</p>	<p>Noted. Will consider in Level 3.</p>

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	CES DU			
901.			Confidential comment deleted	
902.	CEA, ECO-SLV- 09-453	3.143.	We do not consider “reputational risk” to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	CEIOPS disagrees with this comment as reputational risk is specific to the entity and may not be necessarily dependent on other risks.
903.	CRO Forum	3.143.	We do not consider “reputational risk” to be a separate category of risk in the normal sense. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk. Nevertheless we agree that risks to reputation should be managed and reported.	See comments in 902.
904.	European Insurance CFO Forum	3.143.	“Reputational risk” does not need to be a separate category of risk. Rather, the reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk. Reputational risk should not be assessed separately but as a component of the other risk categories.	See comments in 902.
905.	European Union member firms of Deloitte Touche To	3.143.	3.143; The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	The Level 2 advice includes those risks that are required to be addressed under Level 1 (Articles 43 and 49). The risks highlighted in 3.143 are already included in the advice under ‘Other material risks’ as part of implementing measures required by Article 49.
906.	German Insurance Association – Gesamtverb and der D	3.143.	We do not consider “reputational risk” to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	See comments in 902.

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907.	Groupe Consultatif	3.143.	Material risks for the purpose of comparability should be better defined and identified. The paper mentions as an examples: strategic risks, concentration risks, reputation risks, custodian risks, settlement risks, outsourcing risks.	The advice provides the definition of materiality in section 3.2.5. Undertakings are expected to follow this definition in determining material risks for the prupose of disclosures and reporting.
908.	Munich RE	3.143.	Munich re does not consider "reputational risk" to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	See comments in 902.
909.	PricewaterhouseCoopers LLP	3.143.	Strategic risks should be added to the list of examples, as for paragraph 3.145(j).	Noted. There is no exhaustive list of risks that should be covered by all undertakings in their reporting and disclosure.
910.	XL Capital Ltd	3.143.	Equivalent information should be provided on material risks such as outsourcing, concentration risk, reinsurance, mitigation risk, reputation risk, custodian risks and settlement risks.  Some of this information is commercially sensitive, and we do not believe should be disclosed in full in the SFCR.	See comments in 899 and 902.
911.	Groupe Consultatif	3.144.	We believe there is room for debate as to whether the requirement at (b) is justified.	Noted.
912.	XL Capital Ltd	3.144.	See comment on para 3.143	See comments in 910.
913.				
914.			Confidential comment deleted	
915.	Belgian Coordination Group Solvency II	3.145.	Question: 1) Sub-point b) Should sensitivity tests not being harmonised? Remark: 2) Sub point f) equals IFRS 7.39. See general comments.	Noted.  Noted.

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916.	(Assuralia/ CEA, ECO-SLV- 09-453	3.145.	<p>We have a number of comments on the content of reporting on material risk exposures.</p> <p>There is too much detailed information required regarding pledged assets and collaterals in comparison to other risk transfer methods and risk mitigation.</p> <p>See also comment on 3.152.</p>	CEIOPS considers the disclosure requirements on pledged assets and collaterals to be adequate and essential. See comments in 899.
917.	CRO Forum	3.145.	<p>Refers also to 3.152</p> <p>We consider that the proposed requirement under (a) for “details on the nature of the material risk exposures on the undertaking and how these have developed over the past few years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>The reference under (b) to the CRO Forum paper on “Public Risk Disclosure under Solvency II” is noted.</p> <p>We do not consider “reputational risk” under (j) to be a separate category of risk in the normal sense. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p>The proposal under (k) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to misunderstand the way in which risk contributions from sub-portfolios are derived. If it refers to the undertaking’s own decision on how capital should be allocated, it is not appropriate for public disclosure.</p>	<p>Noted.</p> <p>See comments in 902.</p>
918.			Confidential comment deleted	
919.	European Insurance CFO Forum	3.145.	Comments in 3.152 are also relevant here.	Noted.

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920.	European Union member firms of Deloitte Touche To	3.145.	<p>3.145 (b), (c) and (d);</p> <p>There appears to be duplication between the disclosure required for C8 at 3.145(b) and C11 at 3.148 regarding sensitivity analysis. We consider that the former should be deleted.</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice</p>	<p>CEIOPS disagrees with this comment. The disclosure requirements in 3.145(b) and 3.148 provide further explanation on the contents to be disclosed for C8 and C11 respectively.</p> <p>The explanatory notes are included in the Level 2 advice in summary form. See comments in 905.</p>
921.			Confidential comment deleted	
922.	German Insurance Association – Gesamtverb and der D	3.145.	<p>We have a number of comments on the content of reporting on material risk exposures.</p> <p>There is too much detailed information required regarding pledged assets and collaterals in comparison to other risk transfer methods and risk mitigation.</p> <p>See also comment on 3.152.</p>	See comment 916.
923.	Groupe Consultatif	3.145.	Most obviously in (f) and (g) this seems to go well beyond information of value to the general reader.	CEIOPS disagree with this comment and considers such disclosures to be relevant to the market especially in light of the recent events.

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924.	Institut des actuaires (France)	3.145.	<p>“b) Details on sensitivity analysis that the undertaking performs on its material risks and how movements in factors that determine the risk would affect the undertaking’s solvency position;”</p> <p>To Institut des Actuaires, it is not clear whether this requirement implies disclosure of the outcomes of the performed sensitivity analysis while disclosing these outcomes will clearly be required for undertakings using an internal model under paragraph 3. 240.</p> <p>“f) For liquidity risk, the undertaking should disclose: (i) a maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities; (ii) a maturity analysis for derivative financial liabilities; and (iii) a description of how the undertaking manages the liquidity risk inherent in (i) and (ii)”</p> <p>- the scope of this requirement is not clear as it appears taken from IFRS 7 while the definition of “financial liabilities” his different between IFRS and Solvency II (for example, investment contracts issued by insurance companies are insurance liabilities under Solvency II while they are considered as financial liabilities for the purpose of IFRS 7);</p> <p>- for liabilities with prepayment options, the remaining expected maturity is a more relevant piece of information than the remaining contractual maturity;</p> <p>- derivative financial assets hedging non-derivative financial liabilities should be taken into account in the analysis.</p> <p>“g) For each type of risk arising from financial instruments”: please define “financial instruments”.</p>	<p>CEIOPS disagrees with this comment. See comments in 899.</p> <p>Noted (3.148 and 3.155)</p> <p>CEIOPS disagrees with this comment. The reference to financial liabilities under IFRS 7 was meant to cover non-insurance liabilities.</p> <p>Financial instruments will have the same definition as given under IFRS (IAS 32/39).</p>
925.	KPMG ELLP	3.145.	(a) The scope of the liquidity risk disclosures is not clear. These appear to reflect the requirements of IFRS 7, whereas the definition of ‘financial	CEIOPS disagrees with this comment. The reference to

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			<p>liabilities' differs between IFRS and Solvency II (for example, investment contracts issued by insurance undertakings are classified as insurance liabilities under Solvency II whereas they are considered to be financial liabilities for the purposes of IFRS 7.</p> <p>(b) Paragraph 3.145(b) requires information about the sensitivity of risks on the 'solvency position' whereas paragraph 3.148(a)(i) refers to a sensitivity analysis showing how profit or loss and equity would have been affected. We believe it could be misleading to provide information on two different bases (accounting and solvency) in the same report.</p>	<p>financial liabilities under IFRS 7 was meant to cover non-insurance liabilities.</p> <p>CEIOPS disagrees with this comment as the approach towards sensitivity analysis adopted by the undertaking should remain the same under both accounting and Solvency 2.</p>
926.	Munich RE	3.145.	<p>Please note: The economic measurement of financial market and credit risk ensures that all material risks are captured. Off-balance-sheet aspects are mainly relevant in the context of financial reporting requirements that are inadequate.</p> <p>a) MR considers the proposed requirement under (a) to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>h) (i) The disclosure of information on derivatives or similar instruments used for risk mitigation should be limited to those instruments that are incorporated in the internal risk model. Any tactical measures via investment firms should not be subject to disclosure.</p> <p>h) (ii) The topic of SPVs is currently being discussed in context of the IASB Exposure Draft for a new standard "Consolidated Financial Statement" which would also require extensive disclosure on "structured entities" (SPVs). In practice it is not possible to disclose details of every single off-balance-sheet arrangement because many companies have a large number of such arrangements. This would result in many pages of additional disclosures in the notes, which would presumably result in a "not understandable information overload". We are convinced that additional disclosures concerning off-balance-sheet arrangements are necessary – as the current</p>	<p>CEIOPS disagree with this comment as it considers off balance sheet items equally important for regulatory purposes.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted</p>

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			<p>financial crisis has revealed – but this additional disclosure has to be focused on the risk inherent in these arrangements and can only be made on a condensed basis.</p> <p>j) MR does not consider “reputational risk” under (j) to be a separate category of risk. On the contrary, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p>k) The proposal under (k) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to be based on a misunderstanding of the way in which risk contributions from sub-portfolios are derived. In fact, there is no unique way of distributing diversification effects among a class of risk drivers (which is just another way of allocating the fully diversified capital among the members of the class).</p>	See comments on 902.
927.	XL Capital Ltd	3.145.	<p>“e) Details of risk limits and risk appetite imposed by the undertaking in relation to its overall business objectives (e.g. chosen lines of business / products), setting out the level of risk the undertaking is prepared to accept and is financially able to be exposed to for each risk module and how these tolerances are enforced throughout the business. ...”</p> <p>See comment on para 3.143</p>	See comments to para 3.143.
928.	Groupe Consultatif	3.146.	<p>Information on maximum losses without a comment on the probability of occurrence of such losses could be misinterpreted.</p> <p>Should the information be given gross or net of reinsurance and other mitigation arrangements?</p>	<p>Noted. But 3.146 require disclosure of both maximum losses and probability of occurrence of such losses.</p> <p>The disclosure should include both.</p>
929.	Institut des	3.146.	Information on maximum losses without a comment on the probability of occurrence of such losses could be misinterpreted.	See comment 928.



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	actuares (France)		Should the information be given gross or net of reinsurance and other mitigation arrangements?	See comment 928.
930.	Belgian Coordination Group Solvency II (Assuralia/	3.147.	Seems more inspired by banking practices than insurance. More focus on reinsurance (traditional or finite) is awaited.  Note that :  3.147, c) equals IFRS 7.14 3.147, d) equals IFRS 7.15 3.147, e) equals IFRS 7.38	CEIOPS disagrees with this comment as it has taken into account common overlapping disclosure requirements under IFRS that can very well apply to insurers as well.
931.	CRO Forum	3.147.	Refers also to 3.154  We consider that only high level risk mitigation strategy information should be publicly disclosed, since the details would include commercially sensitive information.	Noted.
932.	Groupe Consultatif	3.147.	Most obviously in (d) and (e) this seems to go well beyond information of value to the general reader.	See comments in 923 as it equally applies to the disclosures required in (d) and (e).
933.	Institut des actuares (France)	3.147.	The first paragraph requires information about the sensitivity of risks on solvency positions while paragraph a) refers to a sensitivity analysis, showing how profit or loss and equity would have been affected. The latter does not seem appropriate as no profit or loss is prepared on a Solvency II basis and as providing information on different bases (accounting basis and solvency basis) in the same report might be misleading.  Paragraph b) provides an alternative for undertakings that prepare a sensitivity analysis, such as value-at-risk, that reflects interdependencies between risk variables. Institut des Actuares believes that the same option should also explicitly be given to undertakings that prepare a sensitivity analysis on the basis of Embedded Value (NB: under IFRS, the provision in IFRS 7 § 41 that relates to the use of VaR is supplemented by an analogous provision in IFRS 4 § 39 d ii for undertakings that prepare a sensitivity analysis on the basis of Embedded Value).	See comments on 887 and 899.  Noted

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934.	Munich RE	3.147.	<p>Only high-level risk mitigation strategy information should be publicly disclosed.</p> <p>The proposed detailed requirements relating to risk management practices are excessive and contain commercially sensitive information.</p> <p>d) Terms and conditions are confidential.</p> <p>Delete d) (iii) The terms and conditions associated with its use of the collateral; and</p>	<p>See comments on 899.</p> <p>CEIOPS disagree with this suggestion. See comments on 916.</p>
935.	XL Capital Ltd	3.147.	<p>“c) The carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities”</p> <p>e) When an undertaking obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or call on other credit enhancements (eg. Guarantees), and such assets meet the recognition criteria in financial reporting standards, and undertaking shall disclose</p> <p>(i) The nature and carrying amount of the assets obtained; and</p> <p>(ii) When the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.</p> <p>See comment on para 3.143</p>	<p>Noted.</p> <p>Proportionality point should take care.</p>
936.	Belgian Coordination Group Solvency II (Assuralia/	3.148.	<p>Question: Should sensitivity tests not being harmonised?</p>	<p>See comments on 915.</p>
937.	European Union member	3.148.	<p>3.148 (a.i), (a.ii) (b.i) and (b.ii);</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail.</p>	<p>Noted</p>

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	firms of Deloitte Touche To		We recommend that they be included in the Level 2 advice	
938.	Groupe Consultatif	3.148.	We agree in principle with sensitivity disclosures, but associated disclosure of methods and changes seems likely to add little value for the general reader.	Noted
939.	KPMG ELLP	3.148.	See 3.145	
940.	Munich RE	3.148.	b) (i) We consider parameters as part of proprietary information which must not be disclosed in the SFCR.	Noted
941.	Pricewaterho useCoopers LLP	3.148.	There may be wide interpretation across undertakings of the sensitivities to apply, resulting in a lack of comparability between the disclosures of different undertakings. It may be appropriate for supervisors to have the ability to define a minimum set of sensitivities that undertakings should apply, although we would not support specific sensitivities being defined at Level 2 to allow supervisors to easily adopt sensitivities appropriate to current market conditions.	Disagreed. (Companies own sensitivity tests)
942.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN CES DU	3.150.	Information requirements on risk management are far-reaching and too many details are required.	Noted.
943.	Association of British Insurers	3.150.	<p>This response covers paragraphs 3.150 to 3.156. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We believe that overall the information which seems to be required is too detailed for public reporting – we believe that the overall level of detail publicly disclosed should be no greater than is currently the case in annual reports and accounts or other published documents. Some of the disclosures</p>	<p>Noted</p> <p>Noted . Further detail may follow at Level 3</p>

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			<p>suggested (for example, risk limits and risk appetites, risk mitigation practices, reputational and operational risk or details of collateral held) can only be made publicly at a high-level as otherwise this would result in the disclosure of commercially sensitive information.</p> <p>Items (f) and (g) in 3.150 have nor formal definition and will be commercially sensitive.</p>	
944.	Belgian Coordination Group Solvency II (Assuralia/	3.150.	Question: Should sensitivity tests not being harmonised?	Disagreed.
945.	CEA, ECO-SLV-09-453	3.150.	<p>Information requirements on risk management are far-reaching and too many details are required.</p> <p>Too many details on risk management in the public reports can undermine the whole picture of the undertaking and actually counteract comparability across the insurance sector. In addition, the information required to be disclosed is too sensitive.</p> <p>In our opinion the disclosure regarding risk management should be based on the manner in which the management does manage the business and not on an artificial segmentation. The policyholders would benefit more from information based on the perspectives of the management and the manner in which it conducts business.</p> <p>We would also want to make reference to the principles as laid down in IFRS 7.</p>	No.
946.	Danish Insurance Association	3.150.	Information requirements on risk management are huge and too many details are required. Too many details on risk management in the public reports can undermine the whole picture of the undertaking and actually counteract	Disagreed.

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			comparability across the insurance sector.	
947.	European Union member firms of Deloitte Touche To	3.150.	We consider that the Level 2 advice is unclear regarding the risk disclosures required for C1-11. There appears to be a choice between presenting the risk exposure, concentration and sensitivity (C8-11) under the different risk headings (C1-C7) or of presenting the different risks (C1-7) under the C8-11 headings. We consider that CEIOPS should issue further guidance on which form of presentation is required.	Tbc at Level-3
948.	German Insurance Association – Gesamtverb and der D	3.150.	<p>Information requirements on risk management are far-reaching and too many details are required.</p> <p>Too many details on risk management in the public reports can undermine the whole picture of the undertaking and actually counteract comparability across the insurance sector. In addition, the information required to be disclosed is too sensitive.</p> <p>In our opinion the disclosure regarding risk management should be based on the manner in which the management does manage the business and not on an artificial segmentation. The policyholders would benefit more from information based on the perspectives of the management and the manner in which it conducts business.</p> <p>We would also want to make reference to the principles as laid down in IFRS 7.</p>	Disagreed.
949.	Just Retirement Limited	3.150.	This response covers 3.150 to 3.156. This information is not required to be publicly reported in this level of detail – only high level information is required – further details can be provided through supervisory reporting or review process.	Noted
950.	Legal & General Group	3.150.	This list is too granular for public disclosure and (f) and (g) have no formal definition and will be commercially sensitive. For a with profits ALM the PPFM (in the UK) could be used as a framework but it is not clear whether this could	Noted

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			<p>be extended to other lines of business.</p> <p>Other risks in (g) will include risks with low probability but high impact and will also cover risks likely to lead to reputational damage. For conventional business these are likely to include very commercially sensitive areas such as TCF and for unit linked business as the only risk is essentially operational risk these tail risks often drive the capital position and are extremely commercially sensitive.</p>	
951.	Munich RE	3.150.	<p>We do not understand the distinction between market and ALM risk.</p> <p>The term “sensitivity” seems well-defined for market and credit risk. However, there is no canonical definition in the case of insurance and especially P&amp;C risks. In addition, sensitivity analyses do not make sense in the case of liquidity and operational risk if the definition from market risk is applied.</p>	Noted
952.	Pearl Group Limited	3.150.	<p>This response covers paragraphs 3.150 to 3.156. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We believe that overall the information which seems to be required is too detailed for public reporting – we believe that the overall level of detail publicly disclosed should be no greater than is currently the case in annual reports and accounts or other published documents. Some of the disclosures suggested (for example, reputational risk or details of collateral held) can only be made publicly at a high-level as otherwise this would result in the disclosure of commercially sensitive information.</p>	<p>Noted</p> <p>Noted</p>
953.	ROAM (Réunion des Organismes d'Assurance Mutue	3.150.	ROAM believes that this information is too detailed for a public reporting. This information should only come under the RTS.	Disagreed.

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954.	UNESPA – Association of Spanish Insurers and Reins	3.150.	<p>The information to be reported is too sensitive and there are too many details required.</p> <p>The level of details required for risk management disclosure is overly burdensome and also very sensitive, and should not be disclose.</p> <p>Identification of risks included in “other risks”</p> <p>Additionally in the SFCR, it should be defined which risks are included in “Other risks”. In the reference, strategic, reputational and concentration risks are included, nevertheless and in order to promote SRP harmonization between Member States, the risks included in “other risks” should be identified, and apply to all reports.</p>	<p>Disagreed</p> <p>Noted.</p>
955.	uniqa	3.150.	Disclosures regarding Risk Management seem to be overly burdensome. Moreover we are concerned, that through disclosing such information, the competitors of the undertaking may gain significant undue advantage.	Disagreed.
956.	XL Capital Ltd	3.150.	See comment on para 3.143	See comments on 910
957.	PricewaterhouseCoopers LLP	3.151.	The level and volume of detail required around risk management may make the SFCR less informative in practice for stakeholders. A clearer picture of the risks faced by an undertaking may be obtained if undertakings are able (potentially with prior supervisory approval) to tailor the structure of their SFCR in this area to best suit the circumstances of their business.	Disagreed
958.	UNESPA – Association of Spanish Insurers and Reins	3.151.	The required level of detail can lead to stakeholder’s misinterpretations of the real risks faced by each undertaking, which could result in a reduction of the confidence level.	noted.
959.	XL Capital Ltd	3.151.	See comment on para 3.143	See comments on 910
960.	ACA –	3.152.	We have a number of comments on the reporting on material risk exposures.	Noted.

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	ASSOCIATION DES COMPAGNIES D'ASSURANCES DU		<p>Point a): We consider that the proposed requirement under (a) are excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>Point b): We believe that the information to be provided is too detailed for a public reporting.</p> <p>Point c): We wonder whether the maturity analysis is based on expected or contractual maturities?</p> <p>Point d): We would request clarification of the advice given under (d).</p> <p>Point g): We do not consider “reputational risk” under (g) to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p>Point h): The proposal under (h) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to misunderstand the way in which risk contributions from sub-portfolios are derived. We also disagree with point h) because it either refers to the causes of diversification and is linked to the business strategy, which has not to be disclosed; or it deals with capital allocation (distributed among the undertakings) and we also think that it relates to business choices of the company that must not be disclosed. Group diversification effects recognised by the standard formula do not need further explanation; an allocation of group diversification effects should be not required, if not internally used (e.g. in the internal model).</p> <p>Our comments also apply to 3.145.</p>	
961.	Association of Friendly Societies	3.152.	The requirement to provide a maturity analysis is likely to be quite onerous. It is not clear whether this should assume that all policies leave on their contractual date, or whether best estimate mortality and withdrawal assumptions have to be included, which will make the task even more difficult.	Disagreed.
962.			Confidential comment deleted	Noted.



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963.	CEA, ECO-SLV- 09-453	3.152.	<p>We have a number of comments on the reporting on material risk exposures.</p> <p><input type="checkbox"/> Point a): We consider that the proposed requirement under (a) are excessive. Historical comparisons should be limited to the immediate prior year.</p> <p><input type="checkbox"/> Point b): We believe that the information to be provided is too detailed for a public reporting.</p> <p><input type="checkbox"/> Point c): We wonder whether the maturity analysis is based on expected or contractual maturities?</p> <p><input type="checkbox"/> Point d): We would request clarification of the advice given under (d).</p> <p><input type="checkbox"/> Point d) ii) IFRS disclosures should be not required by non-IFRS users – non-IFRS users should be allowed to provide similar information according local GAAP accounting requirements.</p> <p><input type="checkbox"/> Point e): We think that the advice given under (e) is not appropriate for public disclosure.</p> <p><input type="checkbox"/> Point g): We do not consider “reputational risk” under (g) to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p><input type="checkbox"/> Point h): The proposal under (h) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to misunderstand the way in which risk contributions from sub-portfolios are derived. We also disagree with point h) because it either refers to the causes of diversification and is linked to the business strategy, which has not to be disclosed; or it deals with capital allocation (distributed among the undertakings) and we also think that it relates to business choices of the company that must not be disclosed. Group diversification effects recognised by the standard formula do not need further explanation; an allocation of group diversification effects should be not required, if not internally used (e.g. in the internal model).</p>	<p>Noted.</p> <p>Noted.</p>

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			Our comments also apply to 3.145.	
964.	CRO Forum	3.152.	<p>We consider that the proposed requirement under (a) for “details on the nature of the material risk exposures on the undertaking and how these have developed over the past few years” to be excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>The Forum would request clarification of the advice given under (d).</p> <p>The Forum finds the advice given under (e) is not appropriate for public disclosure.</p> <p>We do not consider “reputational risk” under (g) to be a separate category of risk in the normal sense. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p>Moreover it does not seem to be appropriate to report the same level of detail for all legal entities as this would not take the size and type of business into account. We would propose that the principle of proportionality should be applied.</p> <p>The proposal under (h) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to misunderstand the way in which risk contributions from sub-portfolios are derived. If it refers to the undertaking’s own decision on how capital should be allocated, it is not appropriate for public disclosure.</p>	Noted.
965.	European Insurance CFO Forum	3.152.	<p>The proposed disclosures on material risk exposures are excessive and too commercially sensitive to be included in public disclosures.</p> <p>Requirements in (a) for “details on the nature of the material risk exposures on the undertaking and how these have developed over the past few years” are excessive. Historical comparisons should be limited to the immediate prior year.</p> <p>Clarification is required in relation to the advice given in (d)(i) for “risk arising</p>	

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			<p>from financial instruments”.</p> <p>Disclosures under (e) “Off balance sheet transactions or similar arrangements are commercially sensitive and should not be included in public disclosure.</p> <p>Reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk and should not be disclosed in a separate category (g).</p> <p>1. The proposal under (h) that a description of the way in which group diversification effects are “distributed” among the holdings of the group should not be included in public disclosure because either it refers to the causes of diversification and it is linked to the business strategy, which should not be disclosed; or it deals with capital allocation (distributed among the undertakings) and these relate to business choices of the company that must not be disclosed.</p>	
966.	FFSA	3.152.	<p>b) The CEIOPS requires details of the risk appetite in relation to business objectives</p> <p>FFSA believes that the information to be provided are too sensitive for a public reporting</p> <p>c) The CEIOPS suggests that the undertaking discloses a maturity analysis for liquidity risk.</p> <p>FFSA wonders if the maturity analysis based on expected or contractual maturities.</p> <p>h) The CEIOPS requires that Groups shall provide a “quantification and a description of the main sources of group diversification effects, including a description of how the effects are distributed among the undertakings of the group” in order to detail material risk exposures to which they are exposed</p> <p>FFSA disagrees with this proposition because either it refers to the causes of diversification or it is linked to the business strategy, which has not to be</p>	Noted.

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			disclosed; or it deals with Capital allocation (distributed among the undertakings) and FFSA also thinks that it relates to business choices of the company that must not be disclosed.	
967.	German Insurance Association – Gesamtverb and der D	3.152.	<p>We have a number of comments on the reporting on material risk exposures.</p> <p><input type="checkbox"/> Point a): We consider that the proposed requirement under (a) are excessive. Historical comparisons should be limited to the immediate prior year.</p> <p><input type="checkbox"/> Point b): We believe that the information to be provided is too detailed for a public reporting. The system of operating limits is an internal management instrument which should not be subject to public disclosure (particularly not disclosed to competitors).</p> <p><input type="checkbox"/> Point c): We wonder whether the maturity analysis is based on expected or contractual maturities?</p> <p><input type="checkbox"/> Point d): We would request clarification of the advice given under (d).</p> <p><input type="checkbox"/> Point d) ii) IFRS disclosures should be not required by non-IFRS users – non-IFRS users should be allowed to provide similar information according local GAAP accounting requirements.</p> <p><input type="checkbox"/> Point e): We think that the advice given under (e) is not appropriate for public disclosure. We consider “derivative and similar instruments used in the reduction of risk or facilitation of efficient portfolio management” as sensible information which should not be subject to public disclosure.</p> <p><input type="checkbox"/> Point g): We do not consider “reputational risk” under (g) to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p><input type="checkbox"/> Point h): The proposal under (h) that a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to misunderstand the way in which risk contributions from sub-portfolios are derived. We also disagree with point h) because it either refers to the causes of diversification and is linked to the business strategy, which has not to be disclosed; or it deals with capital allocation (distributed among</p>	Noted.

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			<p>the undertakings) and we also think that it relates to business choices of the company that must not be disclosed. Group diversification effects recognised by the standard formula do not need further explanation; an allocation of group diversification effects should be not required, if not internally used (e.g. in the internal model).</p> <p>Our comments also apply to 3.145.</p>	
968.	Groupe Consultatif	3.152.	<p>Information on risk limits and risk appetite may be of a confidential nature and therefore should not be disclosed in so much detail.</p> <p>Instead of describing exposures at detail it might be more appropriate to explain what the risk profiles of the exposures are and how they affect the company and its financial and solvency position.</p>	Noted
969.	Legal & General Group	3.152.	These are excessive, too granular and very commercially sensitive. They should not be publicly disclosed. See also the comments for 3.150	Disagreed.
970.	Lloyd's	3.152.	<p>The expression "past few years" is uncertain and ambiguous and will be interpreted in different ways by different undertakings and supervisors. Undertakings should not be required to disclose historic information about risk, other than that relating to the previous financial year.</p> <p>Clarity is required on how 'material' is to be interpreted.</p>	Noted
971.	Munich RE	3.152.	<p>a) Only comparison with the last year should be required. Usually only the prior year is of interest; reporting of more years would result in inappropriate effort; furthermore the data is often not comparable, and sometimes even misleading.</p> <p>c) For liquidity risk, the undertaking shall disclose  A maturity analysis for non-derivative financial liabilities;  A maturity analysis for derivative financial liabilities; and  A description of how the undertaking manages the liquidity risk inherent in (i) and (ii) above;</p>	Partly noted.

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			<p>a proof of the ability to meet its financial obligations within the specified risk appetite.</p> <p>d) (ii) We clearly advocate using existing reporting, such as for example annual reports as a reference. This would make paragraph (d) (ii) redundant.</p> <p>e) (i) The disclosure of information on derivatives or similar instruments used for risk mitigation should be limited to those instruments that are incorporated in the internal risk model. Any tactical measures via investment firms should not be subject to disclosure.</p> <p>e) (ii) The topic of SPVs is currently being discussed in context of the IASB Exposure Draft for a new standard "Consolidated Financial Statement" which would also require extensive disclosure on "structured entities" (SPVs). In practice it is not possible to disclose details of every single off-balance-sheet arrangement because many companies have a large number of such arrangements. This would result in many pages of additional disclosures in the notes which would presumably result in a "not understandable information overload". We are convinced that additional disclosures concerning off-balance-sheet arrangements are necessary – as the current financial crisis has revealed – but this additional disclosure has to be focused on the risk inherent in these arrangements and can only be made on a condensed basis.</p> <p>g) Furthermore we do not consider "reputational risk" under (g) to be a separate category of risk. On the contrary, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.</p> <p>h) The requirement for a description of the way in which group diversification effects are "distributed" among the holdings of the group appears to be based on a misunderstanding of the way in which risk contributions from sub-portfolios are derived. In fact, there is no unique way of distributing diversification effects among a class of risk drivers (which is just another way of allocating the fully diversified capital among the members of the class).</p>	
972.	OAC Actuaries	3.152.	The requirement to provide a maturity analysis is likely to be quite onerous. It is not clear whether this should assume that all policies leave on their	

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	and Consultants		contractual date, or whether best estimate mortality and withdrawal assumptions have to be included, which will make the task even more difficult.	
973.	PricewaterhouseCoopers LLP	3.152.	<p>The title of this paragraph refers to “Material” risk exposures. It should be clarified that disclosures under each sub-paragraph are only required where the risk is material (e.g. in sub-paragraph d) “each type of risk” should be “each material type of risk”).</p> <p>The time and cost of providing the required level of detail may be significant, and the information required to comply with this paragraph may be commercially sensitive.</p>	Disagreed.
974.	ROAM (Réunion des Organismes d'Assurance Mutue	3.152.	ROAM believes that this information is too detailed for a public reporting. This information should only come under the RTS.	Disagreed.
975.	UNESPA – Association of Spanish Insurers and Reins	3.152.	<p>Information required is sensitive, far-reaching and too many details are required.</p> <p>The required qualitative and quantitative level of detail for the reporting of, liquidity risk, risk arising from financial instruments and off balance instruments, is very broad and represents, a high cost to the undertakings, associated with the compilation and analysis of the information to be reported, and potential risks arise from the disclosed information.</p> <p>Issues related to limits, risk appetite, business objectives, are confidential matters that fall within the strategy of the undertakings.</p>	<p>Disagreed.</p> <p>Noted.</p>
976.	XL Capital	3.152.	Disclosures of off balance sheet transactions in part e)	The Level 2 advice has been

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	Ltd		<p>g) For groups the same level of detail as at solo level shall be provided for material group specific risks (e.g. strategic risks, concentration risk, and reputation risk)</p> <p>There seems to be a duplication between what is expected to be disclosed at group level vs solo level. We would welcome clarification from CEIOPS on the exact nature of reporting requirements for Groups.</p>	clarified. Group requirements are additional to solo requirements unless otherwise stated
977.	Groupe Consultatif	3.153.	<p>Should not be promoted a common methodology to assess risk concentrations as to allow comparability? The use of different methodologies by the entities could difficult the comparability between them.</p> <p>To a large extent this is subject to judgment depending on methodologies applied and conclusions drawn.</p>	Noted
978.	KPMG ELLP	3.153.	More guidance regarding the disclosures about concentrations of risks would be helpful.	Noted
979.	PricewaterhouseCoopers LLP	3.153.	The requirement to disclose "Information on concentration of insurance risk" may be subject to wide interpretation by undertakings. To improve comparability between undertakings, it may be useful for CEIOPS to develop a framework to aid management in their assessment of concentrations, and examples could helpfully be provided in an example SFCR (see our comments on paragraph 3.86).	Noted
980.	ROAM (Réunion des Organismes d'Assurance Mutue	3.153.	ROAM believes that this information is too detailed for a public reporting. This information should only come under the RTS.	Disagreed.
981.	UNESPA – Association of Spanish Insurers and Reins	3.153.	<p>There should be a standard methodology to measure concentration</p> <p>The fact that each undertaking has its own methodology, requires a greater effort for the SRP, and limits the level of comparability. The development of a methodology should be promoted, in order to measure the level of concentration, and to allow the comparison of results between Member</p>	Tbc at Level-3



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			States undertakings, considering that this has also been done in Pillar II in the banking sector.	
982.	XL Capital Ltd	3.153.	See comment on para 3.143	Noted
983.				
984.	CEA, ECO-SLV-09-453	3.154.	We do not agree with the undertaking or the group having to provide details on its risk mitigation practices and its effect on the risk profile.  We believe that only high level information on risk mitigation strategy should be publicly disclosed.	Disagreed.
985.	CRO Forum	3.154.	See 3.147	Noted
986.	Dutch Actuarial Society – Actuarieel Genootschap (	3.154.	A considerable part of this section seems devoted to collateral and although we support the attention this deserves, it may take away the attention of other risk mitigation activities by focussing so strongly on collateral	
987.	European Insurance CFO Forum	3.154.	Only high level risk mitigation strategy information should be publicly disclosed.  The proposed detailed requests of risk management practices are excessive and contain commercially sensitive information.	Disagreed
988.	FFSA	3.154.	FFSA suggests that only high level information on risk mitigation strategy should be publicly disclosed.	Noted
989.	German Insurance Association –	3.154.	We do not agree with the undertaking or the group having to provide details on its risk mitigation practices and its effect on the risk profile.  We believe that only high level information on risk mitigation strategy should be publicly disclosed.	Agreed.

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	Gesamtverb and der D			
990.	Groupe Consultatif	3.154.	See earlier comments.	Noted
991.	KPMG ELLP	3.154.	Some of these disclosures appear to be confidential or too commercially sensitive information to include in the public SFCR (for example, risk management and controls intellectual know-how and strategic plans). Such proprietary information should only be included only in the RTS	Noted
992.	Legal & General Group	3.154.	These public disclosures should only be at a high “top firm” level	Noted
993.	Munich RE	3.154.	Only high-level risk mitigation strategy information should be publicly disclosed.  The proposed detailed requirements relating to risk management practices are excessive and contain commercially sensitive information.  d) Terms and conditions are confidential.  Delete d) (iii) The terms and conditions associated with its use of the collateral; and	Agreed     Noted
994.	Pricewaterho useCoopers LLP	3.154.	It is should be clarified that disclosures are only required in respect of material items. We note that undertakings may consider this information to be commercially sensitive.	Noted
995.	ROAM (Réunion des Organismes d'Assurance Mutue	3.154.	ROAM believes that this information is too detailed for a public reporting. This information should only come under the RTS.	Disagreed.

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996.	z- Association of Spanish Insurers and Reins	3.154.	Practices associated with risk mitigation (strategies, mechanisms, procedures, etc.) Are part of the know-how and expertise of each undertaking, which should not be revealed in the SFCR.	Agreed.
997.	XL Capital Ltd	3.154.	See comment on para 3.143	Noted
998.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.155.	We would like to know on which part of the Level 1 text the requirement on risk sensitivity is based on as the Level 1 text is based on VaR at 99.5% over a one year time horizon. In addition, undertakings will provide this information as part of the ORSA.	Noted
999.	CEA, ECO-SLV- 09-453	3.155.	We would like to know on which part of the Level 1 text the requirement on risk sensitivity is based on as the Level 1 text is based on VaR at 99.5% over a one year time horizon. In addition, undertakings will provide this information as part of the ORSA.	Noted
1.000.				
1.001.	FFSA	3.155.	<p>CEIOPS required the undertaking or the group to disclose information about the sensitivity of risks on its solvency positions to changes in variables that may have a material effect on their business, including any material changes from the previous period.</p> <p>FFSA is wondering to which of the level 1 Directive CEIOPS is referring to require this information as the framework of the Directive is based on VaR at 99,5% over a year time horizon. In addition, undertakings and groups will provide with information related to the ORSA.</p>	noted

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			<p>The CEIOPS requires that the undertaking or the group shall provide details on its risk mitigation practices and its effect on the risk profile</p> <p>FFSA believes that only high level information on risk mitigation strategy should be publicly disclosed.</p>	Agreed.
1.002.	German Insurance Association – Gesamtverb and der D	3.155.	We would like to know on which part of the Level 1 text the requirement on risk sensitivity is based on as the Level 1 text is based on VaR at 99.5% over a one year time horizon. In addition, undertakings will provide this information as part of the ORSA.	
1.003.	Groupe Consultatif	3.155.	<p>Same comment as 3.152. A common methodology should be promoted as to allow comparability of results.</p> <p>This itself is an infinite task of analysis, documentation and reporting. Reporting should be limited to explain to which extent sensitivity analysis is done and what the overall result of it is.</p>	Noted
1.004.	KPMG ELLP	3.155.	The requirements regarding the minimum sensitivity analysis that is required should be specified in greater detail	See comments points 920 and 937
1.005.	Legal & General Group	3.155.	These should be in line with current reporting sensitivities.	
1.006.	ROAM (Réunion des Organismes d'Assurance Mutue	3.155.	ROAM believes that this information is too detailed for a public reporting. This information should only come under the RTS.	Disargreed.
1.007.	UNESPA – Association	3.155.	This information is already part of the ORSA and should not be required.	Disagreed.

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	of Spanish Insurers and Reins			
1.008.	XL Capital Ltd	3.155.	See comment on para 3.143	Noted
1.009.	XL Capital Ltd	3.156.	See comment on para 3.143	Noted
1.010.			Confidential comment deleted	
1.011.	CRO Forum	3.157.	<p>We note that full consolidation of the regulatory balance sheet on a line by line basis would entail additional resources and represent additional costs to undertakings. In the case of larger groups the cost would be substantial. Also a number of sub-consolidations would be required if the requirements apply to all EU regulated entities within the Group.</p> <p>We question the added value of doing this; it would appear to be sufficient to identify and understand the valuation differences with IFRS at individual business level.</p>	See comment 1010.
1.012.	Dexia	3.157.	<p>We would like to insist on the fact that this information is closely related to the information already produced for entities' financial statement. In order not to compute twice the same information, please make sure that the link between both reporting is narrow.</p>	<p>Noted.</p> <p>While CEIOPS recognises that information required under this paragraph is closely related to the one provided for published financial statements, valuation differences may exist and should be reported and explained.</p> <p>Undertakings can refer to the disclosures made under other legal or regulatory requirements to the extent that they are equivalent in both their nature and scope.</p> <p>Please see par. 3.74</p>

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1.013.	Belgian Coordination Group Solvency II (Assuralia/	3.159.	Sub point c): Can this be harmonised with IFRS (ED on Fair value measurement e.g.)?	The requirement under this advice shouldn't be perceived as totally separated from the requirements under IFRS. Undertakings can refer to the disclosures made under other legal or regulatory capital requirements provided that they are equivalent in both their nature and scope. Please see par. 3.74
1.014.	CEA, ECO-SLV-09-453	3.159.	We do not understand why it is necessary to demand information on investment assets beyond the requirements already contained in IFRS 7.	See comment 1.013
1.015.	Danish Insurance Association	3.159.	We believe it is not necessary to demand information on investment assets beyond the requirements already contained in IFRS 7.	See comment 1.013
1.016.	European Insurance CFO Forum	3.159.	Comments in 3.166 are also relevant here.	See comment 1019
1.017.	European Union member firms of Deloitte Touche To	3.159.	3.159 (d); The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	noted
1.018.	Groupe Consultatif	3.159.	Some threshold of materiality surely is appropriate, particularly in relation to (f).	The materiality principle applies throughout the level 2 implementing measures. CEIOPS doesn't believe that the definition of threshold would be appropriate.
1.019.	KPMG ELLP	3.159.	(a) We do not consider it appropriate to require a specific 'certification' with	Agreed.

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			<p>respect to compliance with the 'prudent person principle' as there is no requirement to 'certify' compliance with any other regulatory rules within the SFCR. We suggest that the requirement is to state how the requirement to invest assets in accordance with 'the prudent person principle' has been satisfied or provide details of where these principle has not been applied.</p> <p>(b) As noted in Annex D we consider the following could also usefully be disclosed:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Total investments analysed by credit rating</li> <li><input type="checkbox"/> 'Large' exposures to counterparties ('large' will need to be defined and counterparties belonging to the same group will need to be aggregated for the purposes of this disclosure, disclosure should also be required of any investments in companies in the group of which the reporting entity is a member). However there should be no specific requirement to disclose the actual names of the counterparties involved in the SFCR as such information is likely to be commercially sensitive (but it should be disclosed in the RTS).</li> <li><input type="checkbox"/> Exposures in excess of internal counterparty limits/details of breaches of internal limits</li> <li><input type="checkbox"/> Details of more 'risky' investments – eg asset backed securities, unlisted investments, derivatives, unregulated collective investment schemes, hedge fund investments. (There is a reference in c) to 'structured products' however in our view the disclosure requirements should cover a more extensive range of products).</li> </ul>	<p>CEIOPS has clarified this issue. Please see amended paragraphs 3.159 and 3.166.</p> <p>The requirement on the statement with respect to compliance with the prudent person principle has been moved to the governance section. Please see amended paragraph</p> <p>Noted</p>
1.020.	Lucida plc	3.159.	We do not see the need to 'certify' that assets have been invested in accordance with the prudent person requirements. Again we do not see the value of providing such information which is 'boilerplate'.	See comment 1019
1.021.	Munich RE	3.159.	The information that has to be published should coincide with financial reporting. Disclosure requirements on the fair values of assets are also under discussion at the IASB; therefore there should be a coordination of these requirements.	See comment 1013 CEIOPS will ensure that international developments regarding disclosures are monitored to ensure consistency
1.022.	Pricewaterho	3.159.	Consideration should be given to requiring information on investments in undertakings belonging to the same group.	Noted

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	useCoopers LLP			
1.023.			Confidential comment deleted	
1.024.	Belgian Coordination Group Solvency II (Assuralia/	3.160.	<p>We judge this is a far too great number of information to be disclosed.</p> <p>Sub-point h): note already that under IFRS 'Investment contracts without dpf' are deposit accounted and not fair valued</p>	See comment 1013
1.025.	CEA, ECO-SLV-09-453	3.160.	Point f): We find the proposal under (f) to be confusing. Credit exposure in this context is typically handled via the credit risk assessment and not via adjustments to technical provisions.	Agreed. Please see amended paragraph 3.160 f)
1.026.	CRO Forum	3.160.	<p>Refers also to 3.169</p> <p>We consider that public disclosure documents should not be required to provide commercially sensitive information such as:</p> <ul style="list-style-type: none"> <li>b) key assumptions and methodologies</li> <li>c) the level of uncertainty associated with the level of technical provisions</li> <li>g) high level information on the effect of management actions</li> </ul> <p>Historical claims data by line of business is competitively sensitive information and should not be included in the public disclosure.</p> <p>The public disclosure document should not be required to provide any information that is potentially commercially sensitive. In general public disclosures should be provided at an aggregated level to give an overview of the business.</p> <p>We find the proposal under (f) to be confusing. Credit exposure in this context is typically handled via the credit risk assessment and not via adjustments to technical provisions.</p>	<p>Not agreed. CEIOPS is of the opinion that information required under this section are not among those commercially sensitive. In addition, CEIOPS acknowledge that the disclosure of this information is already a practice in many European Member States.</p> <p>Agreed. Please see amended paragraph 3.160 f)</p>



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1.027.	Dexia	3.160.	We acknowledge the need of disclosing information relating to technical provisions but we are worried about the discretion needed for such sensitive information to be disclosed to the competitors.	See comment 1026
1.028.	DIMA (Dublin International Insurance & Management	3.160.	It is to be assumed that the regulator will require Actuarial Opinion to support the technical provisions reported.	The requirement of an external Actuarial Opinion is outside the scope of this Advice.
1.029.	Dutch Actuarial Society – Actuarieel Genootscha p (	3.160.	Comment relates to bullet d: this seems to imply having to solve back to the percentile approach to identify the non default chance that the best estimate plus risk margin implies. We would propose to delete the suggestion to derive a level of uncertainty related to the provisions. (Comment also relates to 3.169d)	CEIOPS didn't mean to solve back to the percentile approach.  The paragraph requires the disclosure of the level of uncertainty related to the probability distribution forecast underlying the calculation of the technical provisions based on a best estimate methodology .
1.030.			Confidential comment deleted	
1.031.	European Insurance CFO Forum	3.160.	The CFO Forum considers part f) of the proposal to be confusing and inconsistent with general practice.  The proposal under (f) is confusing. Credit exposure in this context is typically handled via the credit risk assessment and not via adjustments to technical provisions.	See comments 1025
1.032.	European Union member firms of Deloitte Touche To	3.160.	3.160 (c), (f) and (g), (f) is partially reflected but not the section on disclosure of both gross and net positions including allowances for reinsurance defaults;  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted
1.033.			Confidential comment deleted	

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1.034.	Groupe Consultatif	3.160.	Some consideration of materiality seems appropriate. We do not believe (c) adds any value and strongly object to this. It may be appropriate to seek the views of brokers and analysts on the detail of these and other requirements.	Not agreed. CEIOPS believes that information required under this paragraph is material.
1.035.	KPMG ELLP	3.160.	Paragraph a) requires disclosure of the risk margin but does not make it clear whether this is required in total or by 'line of business'. We consider that the disclosure of the 'risk margin' should be by 'line of business'.	Agreed. CEIOPS has clarified this. Please see amended paragraphs
1.036.	Munich RE	3.160.	The whole proposal seems to be too extensive. It should be limited to "high-level information", as too many details might result in an "information overload" which is no longer understandable for the public. Disclosure requirements regarding technical provisions are still under discussion at the IASB. There should be a coordination between both systems of rules.  f) Munich Re finds the proposal under (f) confusing. Credit exposure in this context is typically handled via credit risk assessment and not via adjustments to technical provisions.	The SFCR is intended for a range of stakeholders to understand this type of information.  Valuation rules for solvency purposes and their coordination with IFRS are outside the scope of this Advice See comment 1025
1.037.	Belgian Coordination Group Solvency II (Assuralia/	3.161.	Cf. remarks to CP 35	Noted
1.038.	Association of Friendly Societies	3.163.	If the group level reporting is also required on a quarterly basis, this will make the proposed timetable set out in 3.510 even more impossible as very often it is the amalgamation of figures at the group level which takes the time..	Noted
1.039.	CRO Forum	3.163.	Refers also to 3.174  We would ask for clarification of what constitutes "applicable and appropriate" group disclosures.	CEIOPS may develop additional guidance when dealing with level 3.
1.040.	KPMG ELLP	3.163.	We agree that it would not be useful to provide run off triangles at group level.	Noted
1.041.	OAC	3.163.	If the group level reporting is also required on a quarterly basis, this will make	See comment 1038

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	Actuaries and Consultants		the proposed timetable set out in 3.510 even more impossible as very often it is the amalgamation of figures at the group level which takes the time..	
1.042.	XL Capital Ltd	3.163.	The same level of detail as at solo level is expected, where applicable and appropriate (e.g. it is not considered useful to provide run off triangles at group level) including specific assets managed at group level (e.g. cash pool, reinsurance pool)  See comment on para 3.152	Noted
1.043.	Munich RE	3.164.	The proposal should be limited to high-level information, as these intra-group transactions might be voluminous for some groups.	CEIOPS doesn't believe this would create major burden for undertakings. Moreover, this is already required as disclosure made under IFRS.
1.044.	AAS BALTA	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1012
1.045.	AB Lietuvos draudimas	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1012
1.046.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.165.	The valuation of assets and liabilities should be done as far as possible according to International Accounting Standards.  In paragraph 3.165 it is stated that the undertaking shall provide a quantitative and qualitative explanation of any material differences with the accounting valuation used by the undertaking. We emphasize that to minimize these differences the valuation of assets and liabilities should be done as far as possible according to International Accounting Standards (IAS). Big differences can cause confusion especially among policyholders that are not supposed to be professionals in valuation issues. This comment is also valid to paragraph 3.438.  CEIOPS' proposals lead to a duplication of what is already disclosed in financial statements.  From 3.165 to 3.175, the CEIOPS describes the contents of Balance Sheet. We consider that these provisions would lead to a duplication of what is	See comment 1036 See comment 1013

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			already disclosed in the financial statements. We feel it more useful to replace all these paragraphs with a balance sheet reconciliation between local & regulatory balance sheets (or IFRS & Group regulatory balance sheets in the case of a group) with explanation/description of restatements [this would also replace 3.193 c)].	
1.047.	Association of British Insurers	3.165.	<p>This response covers paragraphs 3.165 to 3.175. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We accept that there will be differences between the accounting valuation of certain balance sheet items and the solvency valuations. It is appropriate that the reasons for any such differences and a reconciliation between the two bases should be included in the SFCR. However, we do not believe that it is necessary to repeat information that is already available in the accounts in the SFCR.</p>	See comment 1013
1.048.	Belgian Coordination Group Solvency II (Assuralia/	3.165.	The Solvency Balance Sheet is a total fair value balance sheet whereas the accounting B/S is local GAAPs or IFRS.	Noted
1.049.	CEA, ECO-SLV-09-453	3.165.	<p>The valuation of assets and liabilities should be done as far as possible according to International Accounting Standards.</p> <p>In paragraph 3.165 it is stated that the undertaking shall provide a quantitative and qualitative explanation of any material differences with the accounting valuation used by the undertaking. We emphasize that to minimize these differences the valuation of assets and liabilities should be done as far as possible according to International Accounting Standards (IAS). Big differences can cause confusion especially among policyholders that are not supposed to be professionals in valuation issues. This comment is also valid to paragraph 3.438.</p>	<p>See comment 1036</p> <p>See comment 1013</p>

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			<p>Ceiiops' proposals lead to a duplication of what is already disclosed in financial statements.</p> <p>From 3.165 to 3.175, the Ceiiops describes the contents of Balance Sheet. We consider that these provisions would lead to a duplication of what is already disclosed in the financial statements. We feel it more useful to replace all these paragraphs with a balance sheet reconciliation between local &amp; regulatory balance sheets (or IFRS &amp; Group regulatory balance sheets in the case of a group) with explanation/description of restatements [this would also replace 3.193 c)].</p> <p>Paragraphs 3.165, 3.166, and 3.167 appear to be overlapping in terms of the required information.</p>	
1.050.	CRO Forum	3.165.	<p>We propose that, for consistency, IFRS valuations should be used where these are on a current economic basis.</p> <p>General comment applicable to para 3.165 to 3.175.</p> <p>While most of these disclosures appear reasonable, it is important that undertakings are allowed to limit the details of the disclosure. Detailed disclosure of assets and liabilities, in particular methods and assumptions, can give away investment strategies and damage the competitive edge of an undertaking by putting sensitive data in the public domain.</p>	<p>See comment 1036</p> <p>See comment 1013</p>
1.051.	Danish Insurance Association	3.165.	<p>Contents in the Balance Sheet shouldn't be disclosed again in the SFCR if it's already described in the annual report. A description of the used accounting standards and explanation of possible deviations between measuring according to Solvency II and accounting standards should be sufficient. (See also 3.167)</p>	See comment 1013
1.052.	DENMARK: Codan Forsikring A/S	3.165.	<p>We note that this would require significant duplication of disclosures from the statutory accounts.</p>	See comment 1013

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	(10529638)			
1.053.	European Insurance CFO Forum	3.165.	For consistency, IFRS valuations should be used where these are on a current economic basis.	See comment 1036
1.054.	FFSA	3.165.	From 3.165 to 3.175, the CEIOPS describes the contents of Balance Sheet. FFSA considers that these provisions would lead to a duplication of what is already disclosed in the financial statements. FFSA feels it more useful to replace all these paragraphs with a balance sheet reconciliation between local & regulatory balance sheets (or IFRS & Group regulatory balance sheets in the case of a group) with explanation/description of restatements [this would also replace § 3.193 c)].	See comment 1036 See comment 1013
1.055.	German Insurance Association – Gesamtverb and der D	3.165.	<p>The valuation of assets and liabilities should be done as far as possible according to International Accounting Standards.</p> <p>In paragraph 3.165 it is stated that the undertaking shall provide a quantitative and qualitative explanation of any material differences with the accounting valuation used by the undertaking. We emphasize that to minimize these differences the valuation of assets and liabilities should be done as far as possible according to International Accounting Standards (IAS). Big differences can cause confusion especially among policyholders that are not supposed to be professionals in valuation issues. This comment is also valid to paragraph 3.438.</p> <p>CEIOPS' proposals lead to a duplication of what is already disclosed in financial statements.</p> <p>From 3.165 to 3.175, the CEIOPS describes the contents of Balance Sheet. We consider that these provisions would lead to a duplication of what is already disclosed in the financial statements. We feel it more useful to replace all these paragraphs with a balance sheet reconciliation between local &amp; regulatory balance sheets (or IFRS &amp; Group regulatory balance sheets in the case of a group) with explanation/description of restatements [this would also replace 3.193 c)].</p>	See comment 1036 See comment 1013

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1.056.	Just Retirement Limited	3.165.	This response covers 3.165 to 3.175. This information is not required to be publicly reported in this level of detail – only high level information is required – further details can be provided through supervisory reporting or review process.	Noted, but Solvency II is a pro-disclosure regime
1.057.	Legal & General Group	3.165.	These should be on an IFRS basis. It is questionable whether book value accounting should be used for any firm however small as it is not a market driven basis.	See comment 1036
1.058.	Link4 Towarzystw o Ubezpieczeń SA	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1013
1.059.	Munich RE	3.165.	If fair values are published for financial reporting purposes – in the balance sheet but also in the notes – they should be identical to the values used for solvency purposes.	See comment 1036
1.060.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1036
1.061.	Pearl Group Limited	3.165.	<p>This response covers paragraphs 3.165 to 3.175. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We accept that there will be differences between the accounting valuation of certain balance sheet items and the solvency valuations. It is appropriate that the reasons for any such differences and a reconciliation between the two bases should be included in the SFCR. However, we do not believe that</p>	<p>See comment 1036</p> <p>See comment 1013</p>

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			it is necessary to repeat information that is already available in the accounts in the SFCR.	
1.062.	ROAM (Réunion des Organismes d'Assurance Mutue	3.165.	From 3.165 to 3.175 CEIOPS describes the contents of the regulatory balance sheet.  ROAM considers it is important for undertakings to have the possibility to make reference in the RTS to other documents without needing to copy information already existing. The replication is costly and counterproductive, generating a supplementary administrative heaviness for the undertaking.	Noted
1.063.	RSA Insurance Group PLC	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1013
1.064.	RSA Insurance Ireland Ltd	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1013
1.065.	RSA - Sun Insurance Office Ltd.	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1013
1.066.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.165.	We note that this would require significant duplication of disclosures from the statutory accounts.	See comment 1013
1.067.				
1.068.	XL Capital Ltd	3.165.	The information required in paragraphs 3.165 to 3.175 appears to duplicate some of the information already included in the annual report.	See comment 1013
1.069.	ACA – ASSOCIATIO N DES COMPAGNIE	3.166.	We do not understand why there should be a specific certification of the correct application of the 'prudent person principle'.  We would ask CEIOPS to provide further details on this requirement.	Agreed.  CEIOPS has clarified this issue. Please see amended paragraphs



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	S D'ASSURAN CES DU			3.159 and 3.166.
1.070.	CEA, ECO-SLV- 09-453	3.166.	In our opinion this disclosure should be based on the disclosure requirements following IFRS 7 on the fair value hierarchy.  Consistency in these disclosures is essential in attaining confidence and trust in the reported numbers.	CEIOPS believes that these requirements are in line with disclosures made under IFRS 7.
1.071.	CRO Forum	3.166.	We consider that this disclosure should be based on the IFRS 7 disclosure requirements on the fair value hierarchy. Consistency in these disclosures is essential in attaining confidence and trust in the reported numbers.	See comment 1070
1.072.	European Insurance CFO Forum	3.166.	This requirement should be covered under the "Fit and Proper" disclosures and not the Regulatory Balance Sheet disclosures.	See comment 1019
1.073.	FFSA	3.166.	The CEIOPS requires that the undertaking certifies that assets have been invested in accordance with the 'prudent person principle'.  FFSA wonders why should there be a specific certification of the correct application of the 'prudent person principle'.	See comment 1019
1.074.	German Insurance Association – Gesamtverb and der D	3.166.	In our opinion this disclosure should be based on the disclosure requirements following IFRS 7 on the fair value hierarchy.  Consistency in these disclosures is essential in attaining confidence and trust in the reported numbers.	See comment 1070
1.075.	KPMG ELLP	3.166.	See comments under 3.159 above.	Noted
1.076.	Legal & General Group	3.166.	This is not a balance sheet disclosure and if required should be in a compliance document.	See comment 1019

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1.077.	AAS BALTA	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	Information required in 3.167 is meant to be a detail of the information in 3.165.
1.078.	AB Lietuvos draudimas	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.079.				
1.080.				
1.081.	Danish Insurance Association	3.167.	Contents in the Balance Sheet shouldn't be disclosed again in the SFCR if it's already described in the annual report. A description of the used accounting standards and explanation of possible deviations between measuring according to Solvency II and accounting standards should be sufficient. (See also 3.165)	See comment 1013
1.082.	DENMARK: Codan Forsikring A/S (10529638)	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.083.				
1.084.	Legal & General Group	3.167.	If this is a very high level disclosure then it may be appropriate but firms have many financial instruments and a detailed disclosure would be both commercially sensitive and extremely onerous.	CEIOPS is of the opinion that information required under this section would be at a generic level and therefore not commercially sensitive. This disclosure is consistent with what required under the IFRS disclosure.
1.085.	Link4 Towarzystwo Ubezpieczeń	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077

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	SA			
1.086.	Lucida plc	3.167.	There is no defined concept of 'economic value' – many will have a different view of what is economic value.	This will be as defined in Article 74 of the May version and other Level 2 Advice
1.087.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.088.	RSA Insurance Group PLC	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.089.	RSA Insurance Ireland Ltd	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.090.	RSA - Sun Insurance Office Ltd.	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.091.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.167.	There is an element of duplication on valuation disclosure between 3.165 - 3.167.	See comment 1077
1.092.				
1.093.				
1.094.	CEA, ECO-SLV-	3.168.	This is information that only the parent company should prepare, and not the solo entities.	Agreed. Please see amended paragraph .

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1.095.				
1.096.	PricewaterhouseCoopers LLP	3.168.	The disclosure specified here would more appropriately be included in the Group SFCR as opposed to the SFCR of the individual group members as the information on any asset valuation adjustments made for group reporting purposes will more naturally be available at the level of the group as opposed to the subsidiary.	Agreed. Please see amended paragraph.
1.097.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.169.	<p>We have a number of comments on the advice on the reporting of technical provisions.</p> <p>Point b): We consider that key assumptions and methodologies used to measure insurance liabilities cannot be disclosed.</p> <p>Point c): We consider that, under (c), information on “the level of uncertainty associated with the level of technical provisions” is not appropriate for public disclosure.</p> <p>Point f): What’s meant by accounting valuation here: Local GAAP or IAS/IFRS compared against the solvency II market consistent approach?</p> <p>Point g): We think that “high level qualitative information on the effect of management actions” is a critical business issue that must not be publicly disclosed.</p>	See comment 1099
1.098.			Confidential comment deleted	
1.099.	CEA, ECO-SLV-09-453	3.169.	<p>We have a number of comments on the advice on the reporting of technical provisions.</p> <p>Point c): We consider that, under (c), information on “the level of uncertainty associated with the level of technical provisions”, if different from the information given under the SCR, is not appropriate for public disclosure.</p> <p>Point f): What is meant by accounting valuation here: Local GAAP or IAS/IFRS compared against the solvency II market consistent approach?</p> <p>Point g): We think that “high level qualitative information on the effect of management actions” is a critical business issue that must not be publicly</p>	Regarding comments on points b), c( and g), CEIOPS is of the opinion that information required under this section are not among those commercially sensitive. In addition, CEIOPS acknowledge that the disclosure of this information is already a practice in many European Member States.

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			disclosed.	On point f), CEIOPS has clarified this in the new footnote.
1.100.	CRO Forum	3.169.	<p>See also 3.160</p> <p>We consider that public disclosure documents should not be required to provide commercially sensitive information such as:</p> <p>b) key assumptions and methodologies</p> <p>c) the level of uncertainty associated with the level of technical provisions</p> <p>g) high level information on the effect of management actions</p> <p>Historical claims data by line of business is competitively sensitive information and should not be included in the public disclosure.</p> <p>The public disclosure document should not be required to provide any information that is potentially commercially sensitive. In general public disclosures should be provided at an aggregated level to give an overview of the business.</p>	See comment 1026
1.101.	European Insurance CFO Forum	3.169.	<p>Public disclosure documents should not be required to provide commercially sensitive information such as:</p> <p>b) key assumptions and methodologies</p> <p>c) the level of uncertainty associated with the level of technical provisions</p> <p>g) high level information on the effect of management actions</p> <p>Historical claims data by line of business is commercially sensitive information and should not be included in the public disclosure.</p> <p>The public disclosure document should not be required to provide any information that is potentially commercially sensitive. In general public disclosures should be provided at an aggregated level to give an overview of the business.</p>	See comment 1026
1.102.	FFSA	3.169.	b) The CEIOPS requires to disclose key assumptions used to measure	See comment 1026

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			<p>insurance liabilities</p> <p>FFSA considers that key assumptions and methodologies cannot be disclosed.</p> <p>g) CEIOPS proposes to disclose “high level information on the effect of management actions”</p> <p>FFSA thinks that this point is a critical business issue that must not be publicly disclosed.</p>	
1.103.	German Insurance Association – Gesamtverb and der D	3.169.	<p>We have a number of comments on the advice on the reporting of technical provisions.</p> <p>Point b): We consider that key assumptions and methodologies used to measure insurance liabilities cannot be disclosed.</p> <p>Point c): We consider that, under (c), information on “the level of uncertainty associated with the level of technical provisions” is not appropriate for public disclosure. We think that a qualitative description of the level of uncertainty does not make sense as well as a quantitative measurement for which a uniform methodology is not specified.</p> <p>Point f): What’s meant by accounting valuation here: Local GAAP or IAS/IFRS compared against the solvency II market consistent approach?</p> <p>Point g): We think that “high level qualitative information on the effect of management actions” is a critical business issue that must not be publicly disclosed.</p>	See comment 1099
1.104.	Groupe Consultatif	3.169.	<p>Point (c) should be dealt with in quite general terms in the SFCR and likely will give rise to a requirement for professional guidance.</p> <p>Overall this needs to be strongly limited in order to avoid a lengthy and extremely technical actuarial report to be included in the SFCR.</p>	Noted
1.105.	KPMG ELLP	3.169.	<p>(a) Subparagraph a) is inconsistent with subparagraph a) in paragraph 3.160 as it does not require disclosure of the risk margin.</p>	On comment on point a) please see amended paragraph

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			(b) It would be helpful to clarify the term 'level of uncertainty associated with the level of technical provisions', and to specify more clearly the nature of the disclosures that are required  See also 3.160	On comment on point b) please see comment 1029
1.106.	Legal & General Group	3.169.	Commercially sensitive information should not be publicly disclosed. In particular key assumptions and methodologies; the uncertainty in 3.169 (c); the effects of possible management actions. For example the conditions in which a firm may buy or sell an assets class (say switch into or out of equities form bonds)	See comment 1099
1.107.	Munich RE	3.169.	The whole proposal seems to be too extensive. It should be limited to "high-level information" as too many details might result in an "information overload" which is no longer understandable for the public.  Disclosure requirements regarding technical provisions are still under discussion at the IASB. There should be a coordination between both systems of rules.  Examples should be given of what constitutes sufficient information, e.g. information on the MVM or (standardised) ranges.  Munich Re considers that, under (c), information on "the level of uncertainty associated with the level of technical provisions" is not appropriate for public disclosure.  Please refer also to 3.160.	See comment 1099 See comment 1021
1.108.	PricewaterhouseCoopers LLP	3.169.	An indication of the type of information CEIOPS intends to be disclosed under point c may usefully be provided as part of an example SFCR (see our comments on paragraph 3.86).	See comment 1029
1.109.	UNESPA – Association of Spanish Insurers and Reins	3.169.	CEIOPS should give more clarity, on what exactly means, the level of uncertainty associated with the level of technical provisions.	See comment 1029

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1.110.	CEA, ECO-SLV- 09-453	3.170.	The valuation methods of solo items applied group wide should be only included basically in group level report.	CEIOPS has clarified this. Please see amended paragraphs.
1.111.			Confidential comment deleted	
1.112.	German Insurance Association – Gesamtverb and der D	3.170.	The valuation methods of solo items applied group wide should be only included basically in group level report.	See comment 1110
1.113.	Groupe Consultatif	3.170.	How would the solo undertaking know what happens to its liabilities on the Group level?	See comment 1110
1.114.	PricewaterhouseCoopers LLP	3.170.	The disclosure specified here would more appropriately be included in the Group SFCR as opposed to the SFCR of the individual group members as the information on any technical provision valuation adjustments made for group reporting purposes will more naturally be available at the level of the group as opposed to the subsidiary.	See comment 1110
1.115.	PricewaterhouseCoopers LLP	3.172.	The disclosure specified here would more appropriately be included in the Group SFCR as opposed to the SFCR of the individual group members as the information on any liability valuation adjustments made for group reporting purposes will more naturally be available at the level of the group as opposed to the subsidiary.	See comment 1110
1.116.	Association of British Insurers	3.174.	Additional clarification of what is 'applicable and appropriate' is needed.	See comment 1039
1.117.	CEA, ECO-SLV- 09-453	3.174.	Ceiofs states that the group shall disclose the same level of detail as at solo level, where applicable and appropriate. In principle, we think that information given at group level should be more aggregated provided that it achieves the objective of appropriate disclosure.	See comment 1039



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			The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.	Noted
1.118.	CRO Forum	3.174.	See also 3.163 We would ask for clarification of what constitutes “applicable and appropriate” group disclosures.	See comment 1039
1.119.	European Insurance CFO Forum	3.174.	Clarification of what constitutes “applicable and appropriate” group disclosures is required.	See comment 1039
1.120.	FFSA	3.174.	FFSA suggests confirming that the amount to provide on a quarterly basis is the last year-end SCR calculation, except if there is any significant change.	Noted
1.121.	German Insurance Association – Gesamtverb and der D	3.174.	CEIOPS states that the group shall disclose the same level of detail as at solo level, where applicable and appropriate. We would ask CEIOPS to give more details on this.  The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.	See comment 1039  Noted
1.122.	Groupe Consultatif	3.174.	Does this mean that run off triangles are considered useful (or are even required) at solo level? As there is only an example given what is considered inappropriate advice is necessary on how appropriate reporting on group level e.g. for insurance liabilities would be prepared.	CEIOPS believe that disclosures of run-off triangles are useful at solo level. See comment 1039
1.123.	KPMG ELLP	3.174.	See 3.163	See comment 1039

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1.124.	Legal & General Group	3.174.	What is “ appropriate and applicable”	See comment 1039
1.125.	Danish Insurance Association	3.175.	Demand for information on operations and transactions within in a group should be aligned with similar demands in IAS 24. (See also 3.105 (d), 3.106 (c) and 3.108)	Noted.
1.126.	Lloyd’s	3.175.	Careful consideration need to be applied to assessing the basis of disclosing intra group transactions, which may be sensitive and more appropriately disclosed privately to the supervisor.	CEIOPS acknowledges that similar disclosure is already required under IFRS.
1.127.	Munich RE	3.176.	Article 3.3 states that the paper does not cover internal models. At the same time, reconciliations with internal model results are required. A description of differences between internal models and the standard formula should be limited to qualitative aspects. Quantification should not be required by regular reporting, but should be part of the licensing of internal models.	Not undersood. Paragraph 1.3 states that IM are included. See also comment 1.168.
1.128.			Confidential comment deleted	
1.129.	Belgian Coordination Group Solvency II (Assuralia/	3.177.	Sub point c): We judge this is a far too great number of information to be disclosed. Sub point e): Note the possible evolution of the IFRS definition of Equity.	Agreed see amended paragraph Noted.
1.130.	CRO Forum	3.177.	Refers also to 3.193(g) There is the need for further discussion of materiality e.g. what might be considered to be significant movements in own funds under (d)? We consider that the information requirement for ancillary own funds proposed under (c) should not be for public disclosure. The extent of the proposed requirement is considerable and could be costly to implement. It is too granular and commercially sensitive for public disclosure	See comment 1.128  See comment 1.129.
1.131.	European	3.177.	3.177 (b), (c), (d) and (e);	Agreed. The blue box text will be

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	Union member firms of Deloitte Touche To		The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	aligned with the explanatory notes.
1.132.	Groupe Consultatif	3.177.	(c) for example seems to go well beyond what is valuable to the general reader.	See comment 1.129.
1.133.	Institut des actuaires (France)	3.177.	<p>"h) For undertakings belonging to a group, a description should be provided, where applicable, on the group's own internal "limits" on the structure and quality of own funds;"</p> <p>Institut des Actuaire believes that this information should be left to supplementary information that undertakings may choose to disclose or not to disclose.</p> <p>Why this information should be limited to undertakings belonging to a group is not clear (a solo entity may define own internal limits to).</p>	Agreed
1.134.	INTERNATIONAL GROUP OF P&I CLUBS	3.177.	<p>The IG previously commented on the requirement to disclose the name of each counterparty in relation to ancillary own funds in its response to CP 29. Those comments are repeated below in relation to 3.177.</p> <p>The IG notes the proposed requirement to disclose the names of the counterparties from which ancillary own fund items are due. In the case of mutuals with the ability to make supplementary calls on their members, this would result in an extensive list of every member, which could comprise many hundreds of individual counterparties. In addition, in the case of mutual insurers that do not underwrite on a tariff basis, disclosure of the amounts due from individual members would be commercially sensitive. The mutual insurer has a duty of confidentiality to its members and it would therefore not be possible to disclose this information publicly. The IG proposes that in the case of mutual insurers' supplementary calls it should therefore be sufficient to disclose the amount due in aggregate, split only by underwriting year, and the fact that these amounts are due from all the mutual members entered in</p>	See comment 1.129.

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			<p>the Club for the underwriting years concerned.</p> <p>3.177 (c) indicates that disclosure should be made provided that there are no legal obstacles. The desired result could be achieved by amending this to „no legal or confidentiality obstacles“.</p> <p>The IG would in principle be comfortable in disclosing the names of individual counterparties in the RTS (on a private basis), rather than in the SFCR.</p>	
1.135.	KPMG ELLP	3.177.	<p>(a) In subparagraph c) there is a requirement to disclose ‘the name of the counterparty for each ancillary own funds item, provided there are no legal obstacles’. We do not consider that this should be a specific requirement in the SFCR as the information is likely to be commercially sensitive, disclosure should however be made in the RTS.</p> <p>(b) We believe subparagraph c) should also require confirmation that there has been no change in circumstances since the date of supervisory approval which are likely to impact on that approval.</p> <p>(c) Under subparagraph f) we suggest it would be helpful to require details of stress testing of the current level of MCR and SCR coverage.</p> <p>(d) Under subparagraph i) ‘sub-group’ will need to be defined.</p>	<p>See comment 1.129</p> <p>Noted</p> <p>Noted</p> <p>See other Advice relating to groups</p>
1.136.	Munich RE	3.177.	<p>i) Group own funds cannot be split into different parts due to the mechanism of capital consolidation. Delete “(and sub-group SCR)”.</p> <p>In general the requested information should follow the way the group is organised internally and the risks are managed.</p>	Noted
1.137.			Confidential comment deleted	
1.138.	CEA,	3.178.	Point b): It should be sufficient to give this information by dividing own funds	Noted

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	ECO-SLV-09-453		into Tiers.	
1.139.	CRO Forum	3.178.	Refers also to 3.195 We would ask for clarification of how minority interests would be treated. It is also unclear why this paragraph suggests including minority interests in own funds as these funds are effectively not fungible.	Noted. This may be addressed at Level 3
1.140.	AAS BALTA	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	Not agreed. Not agreed.
1.141.	AB Lietuvos draudimas	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140
1.142.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.179.	The requirements on the reporting of the MCR and the SCR are unclear. In the first bullet point it says that undertakings should provide information on the amount of the MCR and the SCR. The narrative should state whether the undertaking is using the standard formula, partial or full internal model or undertaking specific parameters in the standard formula. If an (re)insurer wants to apply for an internal model, do they need to send in two sets of SFCR and RTS during the parallel reporting period or should they report the required information twice in the same SFCR and RTS (once for the internal model calculations and once for the standard model calculations)?	See comments on 1.142
1.143.	CEA, ECO-SLV-09-453	3.179.	The requirements on the reporting of the MCR and the SCR are unclear. In the first bullet point it says that undertakings should provide information on the amount of the MCR and the SCR. The narrative should state whether the undertaking is using the standard formula, partial or full internal model or undertaking specific parameters in the standard formula. If an (re)insurer	Both should be in a single set of reports.

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			wants to apply for an internal model, do they need to send in two sets of SFCR and RTS during the parallel reporting period or should they report the required information twice in the same SFCR and RTS (once for the internal model calculations and once for the standard model calculations)?	
1.144.	CRO Forum	3.179.	Refers also to 3.197  We note that under the Level 1 text (Article 50), capital add-ons appear not to have to be disclosed during a transitional period of up to 5 years. This paragraph does not take this provision into account.	The use of a transitional period is dependent on the decision of the Member State.
1.145.	DENMARK: Codan Forsikring A/S (10529638)	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.146.	DIMA (Dublin International Insurance & Management	3.179.	Capital Add on – this needs to be clarified. Is this giving the regulators the power to uplift the requirement? The circumstances need to be specified. The Solvency II Directive states this can be done in exceptional circumstances - Paragraph 3.179(d).	This is covered by separate Level 2 advice
1.147.	European Union member firms of Deloitte Touche To	3.179.	3.179 (b), (c) and (d), (d) does appear under the 'groups' section but not for 'undertakings' section in the draft Level 2 advice;  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted. Not all white text is included in the blue boxes intentionally..
1.148.	German Insurance Association – Gesamtverb	3.179.	The requirements on the reporting of the MCR and the SCR are unclear.  In the first bullet point it says that undertakings should provide information on the amount of the MCR and the SCR. The narrative should state whether the undertaking is using the standard formula, partial or full internal model or undertaking specific parameters in the standard formula. If an (re)insurer	See comment 1.143

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	and der D		wants to apply for an internal model, do they need to send in two sets of SFCR and RTS during the parallel reporting period or should they report the required information twice in the same SFCR and RTS (once for the internal model calculations and once for the standard model calculations)?	
1.149.	Groupe Consultatif	3.179.	Information on details of the movements of the MCR and SCR over the year should be limited to material changes (as is the case in the wording of paragraph 3.179 c but not in the wording of paragraph 3.196).	Noted.
1.150.	Institut des actuaires (France)	3.179.	Information on details of the movements of the MCR and SCR over the year should be limited to material changes (as is the case in the wording of paragraph 3.179 c but not in the wording of paragraph 3.196).	See comment 1.149.
1.151.	Link4 Towarzystw o Ubezpieczeń SA	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.152.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.153.	RSA Insurance Group PLC	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.154.	RSA Insurance Ireland Ltd	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.

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1.155.	RSA - Sun Insurance Office Ltd.	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.156.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.179.	Para c) We believe that this disclosure is commercially sensitive if it was made publicly available  Para (d) we believe that disclosure of the reason for any capital add ons is commercially sensitive	See comment 1.140.
1.157.	AAS BALTA	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.140. See comment 1.135.
1.158.	AB Lietuvos draudimas	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.159.	DENMARK: Codan Forsikring A/S (10529638)	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.160.	Link4 Towarzystwo Ubezpieczeń SA	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.161.	Munich RE	3.180.	b) The requirement for a description of the way in which group diversification effects are “distributed” among the holdings of the group appears to be based on a misunderstanding of the way in which risk contributions from sub-portfolios are derived. In fact, there is no unique way of distributing	Noted



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			diversification effects among a class of risk drivers (which is just another way of allocating the fully diversified capital among the members of the class).	
1.162.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.163.	RSA Insurance Group PLC	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.164.	RSA Insurance Ireland Ltd	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.165.	RSA - Sun Insurance Office Ltd.	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.166.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.180.	Para (f) we believe that disclosure of the reason for any capital add ons is potentially commercially sensitive.  Clarification is needed as to when sub-group would be applicable.	See comment 1.157
1.167.	European Union member firms of Deloitte Touche To	3.182.	3.182 (b);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted
1.168.	Association	3.184.	The requirement to provide a regular reconciliation between the SCR on the	Noted

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	of Friendly Societies		formula basis and the SCR calculated by the internal model removes any benefit which would otherwise be available from using the internal model and means that firms using a model are required to do three sets of calculations (Formula, Model, Reconciliation) rather than one.	
1.169.			Confidential comment deleted	
1.170.	OAC Actuaries and Consultants	3.184.	The requirement to provide a regular reconciliation between the SCR on the formula basis and the SCR calculated by the internal model removes any benefit which would otherwise be available from using the internal model and means that firms using a model are required to do three sets of calculations (Formula, Model, Reconciliation) rather than one.	See comment 1.168.
1.171.	AAS BALTA	3.186.	Clarification is required for what is meant by “significant”.	CEIOPS is not planning to define ‘significant’ in term of numbers or percentages. It should be assessed in a proportional way, taking into account risks..
1.172.	AB Lietuvos draudimas	3.186.	Clarification is required for what is meant by “significant”.	See comment 1.171.
1.173.	Belgian Coordination Group Solvency II (Assuralia/	3.186.	Given the sensitive nature of this information, we insist to handle these kinds of disclosures with care.	Noted.
1.174.	DENMARK: Codan Forsikring A/S (10529638)	3.186.	Clarification is required for what is meant by “significant”.	See comment 1.171.
1.175.	DIMA (Dublin International	3.186.	Will companies have to provide a ‘Strategic solvency target’ similar to that currently in place for reinsurers and then deal with any breaches of that?	No.

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	Insurance & Management			
1.176.	Groupe Consultatif	3.186.	We suggest that very careful consideration be given to how any such information is disclosed to the general reader – the risk of misunderstanding is considerable.	Noted.
1.177.	Institut des actuaires (France)	3.186.	It should be made clear that the requirement to disclose the maximum amount of any non compliance during the year should not lead to a more frequent calculation of the MCR and SCR for the sole purpose of disclosing this information.	Noted.
1.178.	KPMG ELLP	3.186.	'Significant' will need to be defined in relation to 'significant non-compliance with the SCR'. We suggest that this is linked to the definition of materiality in paragraph 3.46.	See comment 1.171.
1.179.	Link4 Towarzystw o Ubezpieczeń SA	3.186.	Clarification is required for what is meant by "significant".	See comment 1.171.
1.180.	Lucida plc	3.186.	We would suggest that only non-compliance with the MCR should be disclosed. In times of stress many companies could breach the SCR and this would lead to a breakdown in market confidence, as evidenced in the current banking crisis.	Not agreed. This suggestion is not in line with the Directive.
1.181.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.186.	Clarification is required for what is meant by "significant".	See comment 1.171.
1.182.	RSA Insurance Group PLC	3.186.	Clarification is required for what is meant by "significant".	See comment 1.171.

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1.183.	RSA Insurance Ireland Ltd	3.186.	Clarification is required for what is meant by “significant”.	See comment 1.171.
1.184.	RSA - Sun Insurance Office Ltd.	3.186.	Clarification is required for what is meant by “significant”.	See comment 1.171.
1.185.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.186.	Clarification is required for what is meant by “significant”.	See comment 1.171.
1.186.	KPMG ELLP	3.188.	‘Sub-group’ will need to be defined.	See comment 1.135.
1.187.	European Union member firms of Deloitte Touche To	3.190.	3.190; The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Noted. See revised paragraphs, but note not all white text appears as Advice.
1.188.	Association of British Insurers	3.191.	<p>This response covers paragraphs 3.191 to 3.206. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc. Once again we are concerned that the proposed level of detail is too great for public disclosure.</p> <p>We are concerned that paragraphs 3.201 and 3.202 go beyond the provisions of the Level 1 text, which states, in article 110(7) that, “after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula”. In other words it is only if the supervisor provides a justified request, that such</p>	<p>Noted. See revised paragraphs.</p> <p>Not agreed. This is not in line with the Directive.</p>

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			information needs to be made available (and then only in the RTS).  We believe that the disclosures in 3.203 to 3.205 (non-compliance with MCR and SCR) should only be made in the RTS.	Not agreed. This is not in line with the Directive.
1.189.	Groupe Consultatif	3.191.	Information on capital management plans is sensitive and should not be revealed.	Not agreed. This is important information for stakeholders to assess the undertaking's future position.
1.190.	Just Retirement Limited	3.191.	This response covers 3.191 to 3.206. This information is not required to be publicly reported in this level of detail – only high level information is required – further details can be provided through supervisory reporting or review process.	Noted. See revised paragraphs
1.191.	Pearl Group Limited	3.191.	<p>This response covers paragraphs 3.191 to 3.206. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc. Once again we are concerned that the proposed level of detail is too great for public disclosure.</p> <p>We are concerned that paragraphs 3.201 and 3.202 go beyond the provisions of the Level 1 text, which states, in article 110(7) that, “after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula”. In other words it is only if the supervisor provides a justified request, that such information needs to be made available.</p> <p>We believe that the disclosures in 3.203 to 3.205 (non-compliance with MCR and SCR) should only be made in the RTS.</p>	See comment 1.188.

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1.192.	UNESPA – Association of Spanish Insurers and Reins	3.191.	Capital planning and undertaking management to be held in coming years, requires the inclusion of confidential information, part of the future strategy of the undertaking.	See comment 1.189.
1.193.	XL Capital Ltd	3.191.	The information requested in paragraphs 3.191 to 3.206 is often commercially sensitive and therefore we do not believe it should be publicly disclosed.	See comment 1.190.
1.194.	PricewaterhouseCoopers LLP	3.192.	This paragraph appears unnecessary.	Agreed.
1.195.			Confidential comment deleted	
1.196.	CEA, ECO-SLV-09-453	3.193.	<p>We do not agree with publicly disclosing detailed information on ancillary own funds (point e)).</p> <p>We consider that the information requirement for ancillary own funds proposed under (e) should not be for public disclosure; in particular, the names of counterparties. The extent of the proposed requirement is considerable and could be costly to implement.</p> <p><input type="checkbox"/> We do not know what “annual specification” of an ancillary own funds item means and suggest to delete the requirement because of legal unclarity.</p> <p><input type="checkbox"/> Methodology should only be disclosed if it is approved.</p> <p><input type="checkbox"/> We do not see the need to disclose the name of the supervisory authority that has approved the amount, because ancillary own funds will be always approved by the local supervisor.</p> <p><input type="checkbox"/> Aggregated information on ancillary own funds will be part of public disclosure via the tier structure which has to be published.</p>	Mostly not agreed. See revised paragraph
1.197.	CRO Forum	3.193.	<p>See also 3. 177</p> <p>There is the need for further discussion of materiality e.g. what might be</p>	See comment 1.128.

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			considered to be significant movements in own funds under (g)?  We consider that the information requirement for ancillary own funds proposed under (e) should not be for public disclosure. The extent of the proposed requirement is considerable and could be costly to implement. It is too granular and commercially sensitive for public disclosure.	Noted. See revised paragraph.
1.198.	European Insurance CFO Forum	3.193.	Ancillary own funds requirement (e) is too granular and commercially sensitive for public disclosure. Further the proposed requirement is significant and potentially costly to implement.	See comment 1.197.
1.199.	FFSA	3.193.	e) The CEIOPS asks to provide the name of the counterparty for each ancillary own funds item  FFSA believes that even if there is no legal obstacle to disclose this information, this later could be too sensitive to be publicly reported and notably for unlisted companies. For the one listed, a minimum threshold should be defined in order to limit the number of counterparties.	Noted. See revised paragraph.
1.200.	German Insurance Association – Gesamtverb and der D	3.193.	We do not agree with publicly disclosing detailed information on ancillary own funds (point e)).  We consider that the information requirement for ancillary own funds proposed under (e) should not be for public disclosure; in particular, the names of counterparties. The extent of the proposed requirement is considerable and could be costly to implement.  <input type="checkbox"/> We do not know what “annual specification” of an ancillary own funds item means and suggest to delete the requirement because of legal unclarity. <input type="checkbox"/> Methodology should only be disclosed if it is approved. <input type="checkbox"/> We do not see the need to disclose the name of the supervisory authority that has approved the amount, because ancillary own funds will be always approved by the local supervisor. <input type="checkbox"/> Aggregated information on ancillary own funds will be part of public disclosure via the tier structure which has to be published.	See comment 1.196.

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1.201.	Groupe Consultatif	3.193.	See comment on 3.177	See comment 1.132
1.202.	KPMG ELLP	3.193.	See 3.177	See comment 1.135
1.203.	Legal & General Group	3.193.	This, particularly (e), own funds, is too granular and commercially sensitive to be publicly disclosed. Due to the potential granularity it would also be expensive to implement and would inevitably be out of date when it is disclosed.	See comment 1.197
1.204.	ROAM (Réunion des Organismes d'Assurance Mutue	3.193.	e) CEIOPS asks to provide the name of the counterparty for each ancillary own fund.  ROAM believes that even if there is no legal hurdle to disclose this information, it seems difficult to implement it (for instance, with undertakings which can use the supplementary members call, number of counterparties is equivalent to the number of policyholders).	Noted. See revised paragraph.
1.205.	CEA, ECO-SLV-09-453	3.194.	We would ask Ceiops to delete "and sub-group SCR". The level 1 text which allows the supervision of sub-groups (Article 214(4)) does not refer to Article. 260, but only to chapter II subsection 1. It clearly follows from this that sub-group supervision does not include the SFCR.  In addition we believe that fungibility and transferability are not an issue at Group Level.	Not agreed.
1.206.	FFSA	3.194.	The CEIOPS requires that undertakings belonging to a group shall disclose information on the amount and quality (including availability, fungibility and transferability not only tiering) of own funds covering the group SCR  FFSA believes that fungibility and transferability are not an issue at Group Level.	Not agreed.
1.207.	German	3.194.	We would ask CEIOPS to delete "and sub-group SCR". The level 1 text which	See comment 1.205.



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	Insurance Association – Gesamtverb and der D		allows the supervision of sub-groups (Article 214(4)) does not refer to Article. 260, but only to chapter II subsection 1. It clearly follows from this that sub-group supervision does not include the SFCR.  In addition we believe that fungibility and transferability are not an issue at Group Level.	
1.208.	Legal & General Group	3.194.	The level of granularity and sensitivity of say fungibility and draw down rights means that this would be a complex document to produce and should not be publicly disclosed.	Noted
1.209.	Munich RE	3.194.	i) Group own funds cannot be split into different parts due to the mechanism of capital consolidation. Delete “(and sub-group SCR)”.  In general the requested information should follow the way the group is organised internally and the risks are managed.	Noted
1.210.	CRO Forum	3.195.	See also 3.178  We would ask for clarification of how minority interests would be treated. It is also unclear why this paragraph suggests including minority interests in own funds as these funds are effectively not fungible.	See comment 1.139.
1.211.	CEA, ECO-SLV-09-453	3.196.	In our view “movements of the MCR and SCR” are hardly to be reported, if not calculated and the object re-calculations with high frequency.  The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.	Noted. See revised paragraph
1.212.	FFSA	3.196.	FFSA suggests confirming that the amount to provide on a quarterly basis is the last year-end SCR calculation, except if there is any significant change.	Noted
1.213.	German	3.196.	In our view “movements of the MCR and SCR” are hardly to be reported, if	The Directive requires the MCR to

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	Insurance Association – Gesamtverb and der D		not calculated and the object re-calculations with high frequency.  The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.	be calculated quarterly and the SCR 'at least annually'. See revised paragraph.
1.214.	Groupe Consultatif	3.196.	Information on details of the movements of the MCR and SCR over the year should be limited to material changes (as is the case in the wording of paragraph 3.179 c).	Noted. See revised paragraph.
1.215.	Institut des actuaires (France)	3.196.	Information on details of the movements of the MCR and SCR over the year should be limited to material changes (as is the case in the wording of paragraph 3.179 c).	See comment 1.214.
1.216.				
1.217.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.197.	We would like to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists, as understood with the Article 50 of the Level 1 Text.	See comment 1.219
1.218.	Association of British Insurers	3.197.	Public disclosure of capital add-ons is a very sensitive area. In the Level 1 directive it was indicated that this would be deferred until at least 2015 and then reviewed. Based upon the experience of the UK ICAS process it may take 5 years of running Solvency II before all parties could be satisfied that the system was robust and fully understood. We therefore propose that this is deferred until at least 2017 and then consulted on.	Noted. See revised paragraph.
1.219.	CEA, ECO-SLV-09-453	3.197.	We would like to be sure that the proposition here of Ceiops to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists, as understood with the Article 50 of the Level 1 Text.	Level 1 text does not allow that interpretation for CEIOPS' disclosure. See revised paragraph for an undertaking's disclosure.

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			Information concerning group matters (as capital add-ons at group level) should not be included in the solo entity's report, if relevance is given only on the higher level.	Not agreed.
1.220.	CRO Forum	3.197.	See also 3.179  We note that under the Level 1 text (Article 50), capital add-ons appear not to have to be disclosed during a transitional period of up to 5 years. This paragraph does not take this provision into account..	See comment 1.218
1.221.	European Insurance CFO Forum	3.197.	Disclosure of the capital add-ons is not required for 5 years after the introduction of Solvency II.  The CFO Forum had understood from the Level 1 text (Article 50) that capital add-ons do not have to be disclosed for up to 5 years. Are the capital add-ons to be disclosed as soon as they are applied or 5 years after being added on?	See comment 1.218.
1.222.	FFSA	3.197.	The CEIOPS requires For undertakings belonging to a group, that information shall also be given on the amount of the group SCR and on any capital add-ons applied at group (and sub-group) level.  FFSA wants to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists, as understood with the Article 50 of the Level 1 Text.	See comment 1.219.
1.223.	German Insurance Association – Gesamtverb and der D	3.197.	We would like to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists, as understood with the Article 50 of the Level 1 Text.  Information concerning group matters (as capital add-ons at group level) should not be included in the solo entity's report, if relevance is given only on the higher level.	See comment 1.219.

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1.224.	Legal & General Group	3.197.	Public disclosure of capital add-ons is a very sensitive area. In level 1 it was indicated that this would be deferred until at least 2015 and then reviewed. Based upon the early issues of the UK ICAS process it may even take 5 years or running S II before all parties could even contemplate a disclosure. We therefore propose that this is deferred for 5 years until 2017 and then consulted on.	See comment 1.219.
1.225.	Munich RE	3.197.	A clarification of the term “sub-group” should be given (financial reporting may not be available at the level of various possible sub-groups). In general the requested information should follow the way the group is organised internally and the risks are managed.	See comment 1.135.
1.226.				
1.227.	CEA, ECO-SLV-09-453	3.198.	Point b): “Sources of diversification” should be not reported if the standard formula is used (not applicable if the deduction and aggregation method is applied instead of the consolidation method being the default method).  Point c): Unclear what has to be reported – suggest to delete that requirement because of legal unclarity.  Point d): Only applicable if the consolidation method is used.	If information is not applicable for an undertaking, it will not be reported.  Not agreed.  See above.
1.228.	German Insurance Association – Gesamtverb and der D	3.198.	Point b): “Sources of diversification” should be not reported if the standard formula is used (not applicable if the deduction and aggregation method is applied instead of the consolidation method being the default method).  Point c): Unclear what has to be reported – suggest to delete that requirement because of legal unclarity.  Point d): Only applicable if the consolidation method is used.	See comment 1.227.
1.229.	KPMG ELLP	3.198.	The requirement to disclose ‘group capital add-ons’ should be included here.	Agreed. See revised paragraph.

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1.230.	CEA, ECO-SLV- 09-453	3.199.	We would like “and sub-group” to be deleted from 3.199.	Paragraph deleted
1.231.	German Insurance Association – Gesamtverb and der D	3.199.	We would like “and sub-group” to be deleted from 3.199.	See comment 1.230.
1.232.	Munich RE	3.199.	A clarification of the term “sub-group” should be given (financial reporting may not be available at the level of various possible sub-groups). In general the requested information should follow the way the group is organised internally and the risks are managed.	See comment 1.230.
1.233.	AAS BALTA	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model. Additionally - is this not adequately covered by 3.250 e?	See revised paragraph.
1.234.	AB Lietuvos draudimas	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model. Additionally - is this not adequately covered by 3.250 e?	See comment 1.233.
1.235.	ACA – ASSOCIATIO N DES COMPAGNIE S	3.201.	There is a deviation from the Level 1 text.  We are concerned that these paragraphs go beyond the provisions of the Level 1 text, which states, in article 110(7) that, “after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required	See comment 1.188.

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	D'ASSURAN CES DU		<p>to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula". In other words it is only if the supervisor provides a justified request, that such information needs to be made available. This also applies to 3.202.</p> <p>We do not agree with the requirement to provide information to allow a proper understanding of the main differences between the internal model and the standard formula used to derive the SCR.</p> <p>The insurer should only be required to argue why the insurer is using an internal model rather than the standard formula. The policyholders will not benefit from the disclosure of two sets of capital requirements. If the insurer has an endorsed model this is to be judged to be the better one of the two therefore a requirement to disclose an "inferior" model outcome seems not to be in their interest. The additional requirements are not reflecting the idea in the level 1 text to provide incentives for insurers to develop internal models.</p> <p>It is unclear whether a reconciliation is needed for the risk margin when the risk margin is calculated using the internal model rather than the standard formula.</p> <p>Should this reconciliation be included in the SFCR? In our opinion this reconciliation is only needed in the RTS.</p>	<p>Policyholders are not the only audience for the SFCR.</p> <p>This may be discussed at Level 3</p>
1.236.			Confidential comment deleted	
1.237.	CEA, ECO-SLV- 09-453	3.201.	<p>There is a deviation from the Level 1 text.</p> <p>We are concerned that these paragraphs go beyond the provisions of the Level 1 text, which states, in article 110(7) that, "after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula". In other words it is only if the supervisor provides a justified request, that such information needs to be made available. This also applies to 3.202.</p>	See comment 1.235.

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			<p>We do not agree with the requirement to provide information to allow a proper understanding of the main differences between the internal model and the standard formula used to derive the SCR.</p> <p>The insurer should only be required to argue why the insurer is using an internal model rather than the standard formula. The policyholders will not benefit from the disclosure of two sets of capital requirements. If the insurer has an endorsed model this is to be judged to be the better one of the two therefore a requirement to disclose an “inferior” model outcome seems not to be in their interest. The additional requirements are not reflecting the idea in the level 1 text to provide incentives for insurers to develop internal models.</p> <p>It is unclear whether a reconciliation is needed for the risk margin when the risk margin is calculated using the internal model rather than the standard formula.</p> <p>Should this reconciliation be included in the SFCR? In our opinion this reconciliation is only needed in the RTS.</p>	
1.238.	CRO Forum	3.201.	<p>Applies also to 3.202.</p> <p>We are concerned that these paragraphs go beyond the provisions of the Level 1 text, which states, in article 110(7) that, “after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula”. In other words it is only if the supervisor provides a justified request, that such information needs to be made available.</p> <p>We do not agree with the requirement to provide information to allow a proper understanding of the main differences between the internal model and the standard formula used to derive the SCR as part of SFCR. The policyholders will not benefit from the disclosure of two sets of capital requirements.</p>	See comment 1.235.

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			It is unclear whether a reconciliation is needed for the risk margin when the risk margin is calculated using the internal model rather than the standard formula. If required, it should only be disclosed in the RTS.	
1.239.	DENMARK: Codan Forsikring A/S (10529638)	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.240.	European Insurance CFO Forum	3.201.	Internal model disclosures go beyond the provisions of the Level 1 text.  The CFO Forum is concerned that 3.201 and 3.202 go beyond the provisions of the Level 1 text, Article 110 (7): "after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula".  The CFO Forum believe that in accordance with the Level 1 text, it is only if the supervisor provides a justified request for information that the information should be made available.	See comment 1.235.
1.241.	FFSA	3.201.	The CEIOPS requires that the undertaking or the group shall provide information to allow a proper understanding of the main differences between the standard formula and an internal model used to derive the SCR,  FFSA disagrees on the fact that these information are publicly disclosed. (Cf. point 3.86)	See comment 1.235.
1.242.	German Insurance Association – Gesamtverb and der D	3.201.	There is a deviation from the Level 1 text.  We are concerned that these paragraphs go beyond the provisions of the Level 1 text, which states, in article 110(7) that, "after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula". In other	See comment 1.235.



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			<p>words it is only if the supervisor provides a justified request, that such information needs to be made available. This also applies to 3.202.</p> <p>We do not agree with the requirement to provide information to allow a proper understanding of the main differences between the internal model and the standard formula used to derive the SCR.</p> <p>The insurer should only be required to argue why the insurer is using an internal model rather than the standard formula. The policyholders will not benefit from the disclosure of two sets of capital requirements. If the insurer has an endorsed model this is to be judged to be the better one of the two therefore a requirement to disclose an "inferior" model outcome seems not to be in their interest. The basic methodology of the internal model and the standard formula might be fundamentally different and would not allow for a meaningful comparison. The additional requirements are not reflecting the idea in the level 1 text to provide incentives for insurers to develop internal models.</p> <p>It is unclear whether a reconciliation is needed for the risk margin when the risk margin is calculated using the internal model rather than the standard formula.</p> <p>Should this reconciliation be included in the SFCR? In our opinion this reconciliation is only needed in the RTS.</p>	
1.243.	Groupe Consultatif	3.201.	<p>(cf. 3.202, 3.250 e, 3.256, 3.257, 3.258, 3.259) In principle, the implementation of an Internal Model releases from application of the Standard Formula (source: e.g. Level 1, Art. 100, 115; however, notice Art. 110 (7)) then this should also dispense from any comparison reporting between these two approaches (after the transitional period).</p> <p>If an internal model was approved it is considered to be superior to the</p>	See comment 1.235.

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			standard formula (more relevant for the entity's business and risk profile). Therefore a comparison with the standard formula or an explanation of differences is likely to be of limited value.	
1.244.	Legal & General Group	3.201.	This appears to go beyond the Level 1 text where a supervisor can ask for more information/details but only with some justification. Also applies to 3.202	See comment 1.235.
1.245.	Link4 Towarzystw o Ubezpieczeń SA	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model. Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.246.	Lloyd's	3.201.	The Framework Directive, article 50.1(e)(iii) requires disclosure of "information allowing a proper understanding of the main differences between the underlying assumptions of the standard formula and those of any internal model used..."  The requirement in this paragraph no longer refers to differences in "underlying assumptions". There is a risk that – contrary to the Framework Directive's intentions – this requirement will be used to impose on an undertaking with an internal model an obligation to calculate its SCR using the standard formula and to publish the results. The reporting requirement should be limited, as article 50 intends, to publication of information necessary to understand differences in underlying assumptions.	See comment 1.235.
1.247.	Munich RE	3.201.	Munich Re is concerned that these paragraphs go beyond the provisions of the Level 1 text, which states, in article 110(7), that "after having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula". In other words it is only if the supervisor provides a justified request that such information needs to be made available.	See comment 1.235.

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1.248.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.249.	PricewaterhouseCoopers LLP	3.201.	See comment on paragraph 3.184 above.	This refers to para 3.148. See comment 941.
1.250.	ROAM (Réunion des Organismes d'Assurance Mutue	3.201.	ROAM believes it is not relevant to publicly disclose this information	See comment 1.235.
1.251.	RSA Insurance Group PLC	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.252.	RSA Insurance Ireland Ltd	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.253.	RSA - Sun Insurance Office Ltd.	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.

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1.254.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.201.	It may be sensible to highlight differences between the standard formula and the internal model. However, this paragraph is too prescriptive. Should remove all text after SCR to make the paragraph achievable by all whatever method they use to perform their internal model.  Additionally - is this not adequately covered by 3.250 e?	See comment 1.235.
1.255.	UNESPA – Association of Spanish Insurers and Reins	3.201.	The comparison of the two approaches may only be done if the Supervisor can justify their requirement and additionally, it has a lag of value from a SRP point of view.  The internal models are configured differently than the standard formula; therefore, comparing the two approaches involve additional efforts from a technical point of view, and may not represent value added to the SRP. Additionally, according to the Level 1 text, the Supervisor must provide to the undertaking a justified request for this information.	See comment 1.235.
1.256.			Confidential comment deleted	
1.257.	CEA, ECO-SLV- 09-453	3.202.	We do not understand the need of paragraph 3.202 because the same model has to be used in the group and if it does not fit sufficiently well with the local requirement, one can ask for a capital add-on.  See also comment to 3.201.  We would like “(and sub-group)” to be deleted.	Not agreed.  See comment 1.135.
1.258.	CRO Forum	3.202.	See 3.201	See comment 1.235.
1.259.	European Insurance CFO Forum	3.202.	Comments in 3.201 are also relevant here.	See comment 1.235.
1.260.	FFSA	3.202.	The CEIOPS requires that undertakings belonging to a group shall also provide statements on differences, if any, between the internal model used at solo level and the internal model used at group (and sub-group) level.	See comment 1.257.

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			FFSA does not understand the need of para 3.202 because the same model has to be used in the group and if it doesn't fit well enough the local requirement, one can ask for a capital add-on or a capital buffer.	
1.261.	German Insurance Association – Gesamtverb and der D	3.202.	We do not understand the need of paragraph 3.202 because the same model has to be used in the group and if it does not fit sufficiently well with the local requirement, one can ask for a capital add-on.  See also comment to 3.201.  We would like “(and sub-group)” to be deleted.	See comment 1.257.
1.262.	Legal & General Group	3.202.	The same as 3.201	See comment 1.235.
1.263.	Munich RE	3.202.	Comment on 3.201 applies here also.	See comment 1.235.
1.264.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.203.	From 3.203 to 3.205, CEIOPS requires that the undertaking provides with the amount of any non compliance with the MCR or any significant non compliance with the SCR during the reporting period.  We consider that this information should be included in the RTS only.	Not agreed. Is not in line with the Directive.
1.265.	Association of British Insurers	3.203.	This requirement taken literally is too onerous as the maximum non-compliance may have take place at only some short period during a day. There is a need to allow for some materiality here.	Agreed for the SCR: see revised paragraph.
1.266.	CEA, ECO-SLV-	3.203.	From 3.203 to 3.205, Ceiops requires that the undertaking provides with the amount of any non compliance with the MCR or any significant non compliance with the SCR during the reporting period.	See comment 1.265.

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	09-453		We consider that this information should be included in the RTS only.	
1.267.	FFSA	3.203.	From 3.203 to 3.205, the CEIOPS requires that the undertaking provides with the amount of any non compliance with the MCR or any significant non compliance with the SCR during the reporting period. FFSA considers that this information is to be included in the RTS only.	See comment 1.265.
1.268.	German Insurance Association – Gesamtverband der D	3.203.	From 3.203 to 3.205, CEIOPS requires that the undertaking provides with the amount of any non compliance with the MCR or any significant non compliance with the SCR during the reporting period. We consider that this information should be included in the RTS only.	See comment 1.265.
1.269.	Groupe Consultatif	3.203.	See comment on 3.186	See comment 1.176.
1.270.	KPMG ELLP	3.203.	There is an inconsistency between this paragraph and paragraphs 3.186 and 3.205. Paragraph 3.186 requires disclosure of 'significant' [not defined] non-compliance with the SCR whereas this paragraph requires disclosure of non-compliance. The Level 1 text refers to significant breaches of the SCR and we consider it is appropriate to retain the reference to 'significant'. 'Significant' will need to be defined eg by linking to the definition of materiality in paragraph 3.46.	Partly agreed, see revised paragraph.  See comment 1.128 on significance.
1.271.	Lucida plc	3.203.	The word “significant” is missing from this paragraph, in comparison to the bold heading and paragraph 3.186	see comment 1.270.
1.272.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.204.	See comment to 3.203.	See comment 1.264.

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1.273.	CEA, ECO-SLV- 09-453	3.204.	See comment to 3.203.	See comment 1.265.
1.274.				
1.275.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.205.	See comment to 3.203.	See comment 1.264.
1.276.	CEA, ECO-SLV- 09-453	3.205.	See comment to 3.203.	See comment 1.265.
1.277.	KPMG ELLP	3.205.	See 3.203 above.	See comment 1.270
1.278.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.206.	See comment to 3.203.	See comment 1.264.
1.279.	CEA, ECO-SLV- 09-453	3.206.	See comment to 3.203.	See comment 1.265.
1.280.	ACA – ASSOCIATIO N DES	3.207.	We welcome the statement that the disclosure requirements on internal models should be principle-based. Bearing this in mind we believe that the requirements set out in 3.212-3.242 are far too detailed to be disclosed	See comment 1.281

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	COMPAGNIE S D'ASSURAN CES DU		publicly. Much of this information should be moved to the RTS instead. This comment is also valid for 3.245-262.	
1.281.	CEA, ECO-SLV- 09-453	3.207.	We welcome the statement that the disclosure requirements on internal models should be principles-based. Bearing this in mind we believe that the requirements set out in 3.212-3.242 are far too detailed to be disclosed publicly. Much of this information should be moved to the RTS instead. This comment is also valid for 3.245-262.	Noted. See revised paragraphs
1.282.	CRO Forum	3.207.	<p>We strongly agree with the principle-based disclosure requirements for internal models.</p> <p>In this respect, the requirements in 3.212-3.242 are too detailed for public disclosure. The majority of these requirements should only be in the RTS. Guidance for the SFCR should be developed in line with Article 50. We recommend that the implementing measures are phrased in terms of information that companies should consider including rather than must include. All additional information required by supervisors should be included in the RTS. Users of the SFCR should be able to rely on the supervisor having approved the internal model and should not be overloaded with information as they should not need to make their own analysis</p> <p>We propose that the detailed requirements as outlined in para 3.212 to 3.242 and 3.245 to 3.262 should be included in RTS instead of SFCR.</p>	See comment 1.281
1.283.	European Insurance CFO Forum	3.207.	<p>The CFO Forum welcomes the principle based disclosure requirements on internal models.</p> <p>In this respect, the requirements in 3.212-3.242 are inappropriate for public disclosure. The majority of these requirements should only be in the RTS. Guidance for the SFCR should be developed in line with Article 50. The CFO Forum recommends that the implementing measures are phrased in terms of information that companies should consider including rather than shall include, to avoid companies having to make unnecessary and irrelevant</p>	See comment 1.281



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			disclosures. All additional information required by supervisors is included in the RTS.	
1.284.	KPMG ELLP	3.207.	<p>(a) Given the diversity of internal models likely to be used by undertakings to project their SFCR we agree with a principles-based approach to the disclosure requirements as outlined here.</p> <p>(b) The actual disclosure requirements outlined in paragraphs 3.212 – 3.262 are however very detailed and we question whether they are consistent with this principle. In our view the level of disclosure in the SFCR should be kept at a high level in order to provide focussed and useful information to users and to avoid requiring the disclosure of commercially sensitive information.</p> <p>Users of the SFCR should be able to place a certain amount of reliance on the rigour around the application process for supervisory approval and ongoing supervisory monitoring rather than requiring a significant amount of information in order to perform their own analysis.</p> <p>The detailed disclosure requirements should be reserved for applications to the supervisor with respect to internal model approval and the RTS.</p>	See comment 1.281
1.285.	Legal & General Group	3.207.	We welcome the acceptance that detailed disclosure of internal models is not appropriate. This applies to sections 3.207 - 3.241	Noted
1.286.	Lloyd's	3.207.	We agree with a principles-based approach to the public disclosure requirements on internal models. However, the disclosure requirements set out in 3.243 – 3.262 are not principles-based – they are prescriptive rules.	See comment 1.281
1.287.	Dutch Actuarial Society – Actuariële Genootschap (	3.208.	The way the disclosure requirement is defined in this section will require an extensive document being made public. We would suggest this description not to be part of the annually published information but separately available upon request through the company's website.	See comment 1.281
1.288.	Groupe Consultatif	3.208.	We disagree fundamentally – disclosure should convey some sense of model reliability but organisations should not be obliged to give away valuable intellectual property embracing design and operational details. This comment	See comment 1.281

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			is relevant to most of the succeeding paragraphs until 3.233	
1.289.	Institut des actuaires (France)	3.208.	<p>“The level and depth of information to be publicly disclosed shall be based on the principle that a knowledgeable person can get a reasonably good understanding of the design and operational details of the internal model as well as to the reliability of the internal model.”</p> <p>Institut des Actuaires believes that:</p> <ul style="list-style-type: none"> <li>- this requirement could lead to divergent views of what depth of information is needed to meet the “reasonably good understanding” criterion</li> <li>- information in the SFCR should focus on the design and the governance of internal models</li> <li>- providing sufficient information for a knowledgeable person to get a reasonably good understanding of the operational details of the internal model would be burdensome and outside the scope of a public report</li> </ul>	See comment 1.281
1.290.	Legal & General Group	3.208.	As in 3.207	See comment 1.285
1.291.	Legal & General Group	3.209.	As in 3.207	See comment 1.285
1.292.	PricewaterhouseCoopers LLP	3.209.	Whilst we recognise that this paragraph drives at consistency with Article 52 of the Level 1 text, in practice it may prove challenging for undertakings to disclose the required level and depth of information without putting commercially sensitive information into the public domain, especially where a bespoke internal model has been developed. This may reduce the ability to achieve the objectives of harmonization of reporting which enables a good understanding of the design, operational details and reliability of the internal model.	See comment 1.281
1.293.	European Union member	3.210.	<p>3.210;</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail.</p>	Not agreed

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	firms of Deloitte Touche To		We recommend that they be included in the Level 2 advice	
1.294.	Legal & General Group	3.210.	As in 3.207	See comment 1.285
1.295.	Legal & General Group	3.211.	As in 3.207	See comment 1.285
1.296.	CRO Forum	3.212.	See 3.207	See comment 1.282
1.297.	European Insurance CFO Forum	3.212.	Comments in 3.207 are also relevant here.	See comment 1.283
1.298.	Legal & General Group	3.212.	As in 3.207	See comment 1.285
1.299.	CRO Forum	3.213.	See 3.207	See comment 1.282
1.300.	European Insurance CFO Forum	3.213.	Comments in 3.207 are also relevant here.	See comment 1.283
1.301.	Legal & General Group	3.213.	As in 3.207	See comment 1.285
1.302.	CRO Forum	3.214.	See 3.207	See comment 1.282
1.303.	European Insurance CFO Forum	3.214.	Comments in 3.207 are also relevant here.	See comment 1.283
1.304.	Legal &	3.214.	As in 3.207	See comment 1.285

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	General Group			
1.305.	CRO Forum	3.215.	See 3.207	See comment 1.282
1.306.	European Insurance CFO Forum	3.215.	Comments in 3.207 are also relevant here.	See comment 1.283
1.307.	Legal & General Group	3.215.	As in 3.207	See comment 1.285
1.308.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.216.	Point d): It is almost impossible to inform of all possible uses in other areas. At least some limitation should be given on this requirement.	See comment 1.309
1.309.	CEA, ECO-SLV-09-453	3.216.	Point d): It is almost impossible to inform of all possible uses in other areas. At least some limitation should be given on this requirement.	Noted This may be developed at Level 3
1.310.	CRO Forum	3.216.	See 3.207	See comment 1.282
1.311.	European Insurance CFO Forum	3.216.	Comments in 3.207 are also relevant here.	See comment 1.283
1.312.	Legal & General Group	3.216.	As in 3.207	See comment 1.285
1.313.	CRO Forum	3.217.	See 3.207	See comment 1.282
1.314.	European	3.217.	Comments in 3.207 are also relevant here.	See comment 1.283

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	Insurance CFO Forum			
1.315.	Legal & General Group	3.217.	As in 3.207	See comment 1.285
1.316.	Association of Friendly Societies	3.218.	The requirements to provide public information on the internal model (of which this is only one paragraph) are extremely onerous, particularly as much of it is likely to be commercially sensitive. This is one area where obviously the supervisor needs to be given full information, but it is not clear why it is necessary to place model information in the public domain. It also adds considerably to the volume of information that has to be published.	See comment 1.281
1.317.	CRO Forum	3.218.	See 3.207	See comment 1.282
1.318.	European Insurance CFO Forum	3.218.	Comments in 3.207 are also relevant here.	See comment 1.283
1.319.	Legal & General Group	3.218.	As in 3.207	See comment 1.285
1.320.	Lucida plc	3.218.	Section (e) of this paragraph seems misguided. Internal models are bound to have at least the scope of the standard formula, in order to meet the approval process requirements.	Noted
1.321.	OAC Actuaries and Consultants	3.218.	The requirements to provide public information on the internal model (of which this is only one paragraph) are extremely onerous, particularly as much of it is likely to be commercially sensitive. This is one area where obviously the supervisor needs to be given full information, but it is not clear why it is necessary to place model information in the public domain. It also adds considerably to the volume of information that has to be published.	See comment 1.281
1.322.	CRO Forum	3.219.	See 3.207	See comment 1.282
1.323.	European	3.219.	Comments in 3.207 are also relevant here.	See comment 1.283

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	Insurance CFO Forum			
1.324.	Legal & General Group	3.219.	As in 3.207	See comment 1.285
1.325.	Belgian Coordination Group Solvency II (Assuralia/	3.220.	Internal models: We judge this is too much information to be disclosed.	See comment 1.281
1.326.	CRO Forum	3.220.	See 3.207	See comment 1.282
1.327.	European Insurance CFO Forum	3.220.	Comments in 3.207 are also relevant here.	See comment 1.283
1.328.	Groupe Consultatif	3.220.	This disclosure should include information on the differences in the definition of basic own funds if not equal to the level 1 text. It may be necessary for CEIOPS to make clear whether this implies that an undertaking could choose a different definition of basic own funds for the coverage of the MCR and SCR or whether this only applies to the situation where the internal model is used outside the calculation of the required capital (e.g. for the purpose of the ORSA).	Noted
1.329.	Institut des actuaires (France)	3.220.	The SFCR should include information on the differences in the definition of basic own funds if not equal to the level 1 text. Institut des Actuaires recommends CEIOPS to make clear whether this implies that an undertaking could choose a different definition of basic own funds for the coverage of the MCR and SCR or whether this only applies to the situation where the internal model is used outside the calculation of the required capital (e.g. for the purpose of the ORSA).	See comment 1.328
1.330.	Legal & General Group	3.220.	As in 3.207	See comment 1.285

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1.331.	ACORD	3.221.	ACORD agrees that part of model quality is the data and validation issues.	Noted
1.332.	Belgian Coordination Group Solvency II (Assuralia/	3.221.	Idem.	See comment 1.325
1.333.	CRO Forum	3.221.	See 3.207	See comment 1.282
1.334.	European Insurance CFO Forum	3.221.	Comments in 3.207 are also relevant here.	See comment 1.283
1.335.	Legal & General Group	3.221.	As in 3.207	See comment 1.285
1.336.	Association of Friendly Societies	3.222.	See 3.218	See comment 1.316
1.337.	Belgian Coordination Group Solvency II (Assuralia/	3.222.	Idem.	See comment 1.325
1.338.	CRO Forum	3.222.	See 3.207	See comment 1.282
1.339.	European Insurance CFO Forum	3.222.	Comments in 3.207 are also relevant here.	See comment 1.283
1.340.	Legal & General Group	3.222.	As in 3.207	See comment 1.285

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1.341.	OAC Actuaries and Consultants	3.222.	See 3.218	See comment 1.321
1.342.	ACORD	3.223.	Data quality can be improved by the use of voluntary data standards and processes.	Noted
1.343.	Belgian Coordination Group Solvency II (Assuralia/	3.223.	Idem.	See comment 1.325
1.344.	CRO Forum	3.223.	See 3.207	See comment 1.282
1.345.	European Insurance CFO Forum	3.223.	Comments in 3.207 are also relevant here.	See comment 1.283
1.346.	Legal & General Group	3.223.	As in 3.207	See comment 1.285
1.347.	AAS BALTA	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	Not agreed
1.348.	AB Lietuvos draudimas	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.349.	Association of Friendly Societies	3.224.	See 3.218	See comment 1.316
1.350.	Belgian Coordination Group	3.224.	Idem.	See comment 1.325



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	Solvency II (Assuralia/			
1.351.	CRO Forum	3.224.	See 3.207	See comment 1.282
1.352.	DENMARK: Codan Forsikring A/S (10529638)	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.353.	European Insurance CFO Forum	3.224.	Comments in 3.207 are also relevant here.	See comment 1.283
1.354.	Legal & General Group	3.224.	As in 3.207	See comment 1.285
1.355.	Link4 Towarzystw o Ubezpieczeń SA	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.356.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.357.	OAC Actuaries and Consultants	3.224.	See 3.218	See comment 1.321

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1.358.	RSA Insurance Group PLC	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.359.	RSA Insurance Ireland Ltd	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.360.	RSA - Sun Insurance Office Ltd.	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.361.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.224.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)”?	See comment 1.347
1.362.	Belgian Coordination Group Solvency II (Assuralia/	3.225.	Idem.	See comment 1.325
1.363.	CRO Forum	3.225.	See 3.207	See comment 1.282
1.364.	European Insurance CFO Forum	3.225.	Comments in 3.207 are also relevant here.	See comment 1.283
1.365.	Legal & General Group	3.225.	As in 3.207	See comment 1.285
1.366.	Association of Friendly Societies	3.226.	See 3.218	See comment 1.316

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1.367.	Belgian Coordination Group Solvency II (Assuralia/	3.226.	Idem.	See comment 1.325
1.368.	CRO Forum	3.226.	See 3.207	See comment 1.282
1.369.	European Insurance CFO Forum	3.226.	Comments in 3.207 are also relevant here.	See comment 1.283
1.370.	Legal & General Group	3.226.	As in 3.207	See comment 1.285
1.371.	OAC Actuaries and Consultants	3.226.	See 3.218	See comment 1.321
1.372.	Belgian Coordination Group Solvency II (Assuralia/	3.227.	Idem.	See comment 1.325
1.373.	CRO Forum	3.227.	See 3.207	See comment 1.282
1.374.	European Insurance CFO Forum	3.227.	Comments in 3.207 are also relevant here.	See comment 1.283
1.375.	Legal & General Group	3.227.	As in 3.207	See comment 1.285

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1.376.	Belgian Coordination Group Solvency II (Assuralia/	3.228.	Idem.	See comment 1.325
1.377.	CRO Forum	3.228.	See 3.207	See comment 1.282
1.378.	European Insurance CFO Forum	3.228.	Comments in 3.207 are also relevant here.	See comment 1.283
1.379.	Legal & General Group	3.228.	As in 3.207	See comment 1.285
1.380.	Association of Friendly Societies	3.229.	See 3.218	See comment 1.316
1.381.				
1.382.	CEA, ECO-SLV-09-453	3.229.	See comment on 3.253.	See comment 1.281
1.383.	CRO Forum	3.229.	We consider that the proposal for publicly disclosed information on the risk management around the operational performance of the internal capital model is excessive. The risk model is not a vital day-to-day operating system within the business. See also 3.207	See comment 1.281 See comment 1.282
1.384.	European Insurance CFO Forum	3.229.	Comments in 3.207 are also relevant here.	See comment 1.283

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1.385.	Legal & General Group	3.229.	As in 3.207	See comment 1.285
1.386.	Lucida plc	3.229.	We believe disclosures on IT are unnecessary.	See comment 1.281
1.387.	Munich RE	3.229.	Munich Re considers that the proposal for public disclosure of information on the risk management surrounding the operational performance of the internal capital model is excessive. The risk model is not a vital day-to-day operating system within the business.	See comment 1.281
1.388.	OAC Actuaries and Consultants	3.229.	See 3.218	See comment 1.321
1.389.	CRO Forum	3.230.	See 3.207	See comment 1.282
1.390.	European Insurance CFO Forum	3.230.	Comments in 3.207 are also relevant here.	See comment 1.283
1.391.	Legal & General Group	3.230.	As in 3.207	See comment 1.285
1.392.	Association of Friendly Societies	3.231.	See 3.218	See comment 1.316
1.393.	CRO Forum	3.231.	See 3.207	See comment 1.282
1.394.	European Insurance CFO Forum	3.231.	Comments in 3.207 are also relevant here.	See comment 1.283
1.395.	Institut des actuaires	3.231.	Disclosing information on the experience and expertise of independent reviews might be more relevant than disclosing credentials (which in some	Noted

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	(France)		cases may be subject to confidentiality clauses).	
1.396.	KPMG ELLP	3.231.	There is a risk that by requiring a description of 'the use and credentials of independent reviews', some (re)insurance undertakings/insurance groups could feel under pressure to commission such reviews.	Noted
1.397.	Legal & General Group	3.231.	As in 3.207	See comment 1.285
1.398.	OAC Actuaries and Consultants	3.231.	See 3.218	See comment 1.321
1.399.	CRO Forum	3.232.	See 3.207	See comment 1.282
1.400.	European Insurance CFO Forum	3.232.	Comments in 3.207 are also relevant here.	See comment 1.283
1.401.	Legal & General Group	3.232.	As in 3.207	See comment 1.285
1.402.	Association of Friendly Societies	3.233.	See 3.218	See comment 1.316
1.403.	CRO Forum	3.233.	See 3.207	See comment 1.282
1.404.	European Insurance CFO Forum	3.233.	Comments in 3.207 are also relevant here.	See comment 1.283
1.405.	Legal & General Group	3.233.	As in 3.207	See comment 1.285

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1.406.	OAC Actuaries and Consultants	3.233.	See 3.218	See comment 1.321
1.407.	CRO Forum	3.234.	See 3.207	See comment 1.282
1.408.	European Insurance CFO Forum	3.234.	Comments in 3.207 are also relevant here.	See comment 1.283
1.409.	Legal & General Group	3.234.	As in 3.207	See comment 1.285
1.410.	CEA, ECO-SLV-09-453	3.235.	Recalculation should not be demanded purely for public disclosure purposes. Also relevant for 3.236.	Noted
1.411.	CRO Forum	3.235.	We note the reference to the CRO Forum paper 'Public Risk Disclosure under Solvency II' See also 3.207	Noted See comment 1.282
1.412.	European Insurance CFO Forum	3.235.	Comments in 3.207 are also relevant here.	See comment 1.283
1.413.	Legal & General Group	3.235.	As in 3.207	See comment 1.285
1.414.	Munich RE	3.235.	MR notes the reference to the CRO Forum paper 'Public Risk Disclosure under Solvency II'	Noted
1.415.	AAS BALTA	3.236.	d) This seems to allow you not to use b) & c) if you explain why. However, it	Noted

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			<p>is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	
1.416.	AB Lietuvos draudimas	3.236.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.417.	Belgian Coordination Group Solvency II (Assuralia/	3.236.	<p>The CP assumes that the difference between the group calculation and the sum of the stand alone are only diversification effects. However groups have intra-group transactions which are eliminated at the group consolidated level. This will imply in the pillar 1 calculations a difference which should not be allocated as diversification effects. Elimination of treasury share (shares of the holding company) can also play a role.</p>	Noted
1.418.	CEA, ECO-SLV-	3.236.	See comments to 3.235.	See comment 1.410



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	09-453		In addition we would like to point out that Ceiops assumes that the difference between the group calculation and the sum of the stand alone is only diversification effects. However groups have intra-group transactions which are eliminated at the group consolidated level. This will imply in the pillar 1 calculations a difference which should not be allocated as diversification effects.	See comment 1.417
1.419.	CRO Forum	3.236.	We note the assumption that the difference between the group calculation and the sum of the stand alone is only diversification effects. However groups have intra-group transactions which are eliminated at the group consolidated level. This will imply in the pillar 1 calculations a difference which should not be allocated as diversification effects. See also 3.207	See comment 1.417
1.420.	DENMARK: Codan Forsikring A/S (10529638)	3.236.	d) This seems to allow you not to use b) & c) if you explain why. However, it is inconsistent with the first sentence of 3.236.  e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).  a), b) & e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available. This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.	See comment 1.416
1.421.	Dutch Actuarial Society – Actuariel Genootscha p (	3.236.	Comment relates to bullet b, c and d: A requirement is made to split the quantified SCR into predefined risk categories. Clearly under the internal model option, companies can define their own way of how risk is measured and grouped. The split into credit and market risk way be difficult for some firms if all financial risks are quantified simultaneously.	Noted
1.422.	European	3.236.	Comments in 3.207 are also relevant here.	See comment 1.283

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	Insurance CFO Forum			
1.423.	European Union member firms of Deloitte Touche To	3.236.	3.236 (d);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Not agreed
1.424.	Groupe Consultatif	3.236.	This requirement appears much too detailed – an indication of the relative significance of top-level risk categories perhaps associated with comment on sub-risks should suffice for the general reader.	See comment 1.281
1.425.	Legal & General Group	3.236.	As in 3.207	See comment 1.285
1.426.	Link4 Towarzystw o Ubezpieczeń SA	3.236.	d) This seems to allow you not to use b) & c) if you explain why. However, it is inconsistent with the first sentence of 3.236.  e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).  a), b) & e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available. This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.	See comment 1.416
1.427.	NORWAY: Codan Forsikring (Branch Norway)	3.236.	d) This seems to allow you not to use b) & c) if you explain why. However, it is inconsistent with the first sentence of 3.236.  e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).	See comment 1.416

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	(991 502		<p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	
1.428.	RSA Insurance Group PLC	3.236.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.416
1.429.	RSA Insurance Ireland Ltd	3.236.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.416

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1.430.	RSA - Sun Insurance Office Ltd.	3.236.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.416
1.431.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.236.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.236.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d).</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.416
1.432.	Belgian Coordination Group Solvency II (Assuralia/	3.237.	This paragraph is unclear.	Not agreed.
1.433.	CRO Forum	3.237.	See 3.207	See comment 1.282

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1.434.	European Insurance CFO Forum	3.237.	Comments in 3.207 are also relevant here.	See comment 1.283
1.435.	Institut des actuaires (France)	3.237.	What is referred to in this paragraph as a “reconciliation between different accounting regimes” is not clear to us.	This picks up any differences between Solvency II values and accounting values in the comparison.
1.436.	KPMG ELLP	3.237.	The requirements of a ‘reconciliation between different accounting regimes’ need to be clarified.	See comment 1.435
1.437.	Legal & General Group	3.237.	As in 3.207	See comment 1.285
1.438.	Lucida plc	3.237.	Although we understand and agree with the need for a comparison of relevant figures with prior period figures, we believe that this requirement should be waived on first application in order that companies do not have to produce figures pre-dating the introduction of Solvency II. This will assist companies in meeting the already tight Solvency II timetable.  We would make the same observation on 3.259.	Noted. This may be addressed at Level 3.
1.439.	CRO Forum	3.238.	See 3.207	See comment 1.282
1.440.	European Insurance CFO Forum	3.238.	Comments in 3.207 are also relevant here.	See comment 1.283
1.441.	Legal & General Group	3.238.	As in 3.207	See comment 1.285
1.442.	CRO Forum	3.239.	See 3.207	See comment 1.282
1.443.	European Insurance	3.239.	Comments in 3.207 are also relevant here.	See comment 1.283

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	CFO Forum			
1.444.	Groupe Consultatif	3.239.	Undertakings should confirm policy on validation but this should suffice for the general reader.	Noted
1.445.	Legal & General Group	3.239.	As in 3.207	See comment 1.285
1.446.	Belgian Coordination Group Solvency II (Assuralia/	3.240.	Question: Should sensitivity tests not being harmonised?	Noted. Not within the scope of this Advice.
1.447.	CRO Forum	3.240.	See 3.207	See comment 1.282
1.448.	European Insurance CFO Forum	3.240.	Comments in 3.207 are also relevant here.	See comment 1.283
1.449.	Groupe Consultatif	3.240.	<p>Our understanding is that undertakings using an internal model will be required to disclose the outcomes of sensitivity testing and scenario analysis while it is unclear that the same requirements will apply to other undertakings under paragraph 3.145.</p> <p>The public information on validation analysis is required for all risks and events considered to be material. This should be limited to the most significant risks and events.</p>	Noted
1.450.	Institut des actuaires (France)	3.240.	<p>Our understanding is that undertakings using an internal model will be required to disclose the outcomes of sensitivity testing and scenario analysis while it is unclear that the same requirements will apply to other undertakings under paragraph 3.145.</p> <p>The public information on validation analysis is required for all risks and events considered to be material. Institut des Actuaires suggests that this could be limited to the most significant risks and events.</p>	See comment 1.449

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1.451.	Legal & General Group	3.240.	As in 3.207	See comment 1.285
1.452.	CRO Forum	3.241.	See 3.207	See comment 1.282
1.453.	European Insurance CFO Forum	3.241.	Comments in 3.207 are also relevant here.	See comment 1.283
1.454.	Legal & General Group	3.241.	As in 3.207	See comment 1.285
1.455.	Lucida plc	3.241.	We do not understand the need to provide complementary information.	Noted. See revised paragraph.
1.456.	CRO Forum	3.242.	See 3.207	See comment 1.282
1.457.	European Insurance CFO Forum	3.242.	Comments in 3.207 are also relevant here.	See comment 1.283
1.458.	Groupe Consultatif	3.242.	Other than in the most general terms, this information appears to us not to be appropriate for public disclosure.	See comment 1.281
1.459.	AAS BALTA	3.243.	This says model disclosure is so “a knowledgeable person” can understand it. We would like a further line added saying “but not that a knowledgeable person could re-build the model”.	Not agreed
1.460.	AB Lietuvos draudimas	3.243.	This says model disclosure is so “a knowledgeable person” can understand it. We would like a further line added saying “but not that a knowledgeable person could re-build the model”.	See comment 1.460
1.461.	ACA – ASSOCIATION DES COMPAGNIES	3.243.	We would ask CEIOPS to define “knowledgeable person” and “reasonably good”. The information requirements on internal models are not appropriate. The information requirements concerning more details on approved internal	See comment 1.460

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	D'ASSURAN CES DU		models are not understandable even for highly informed readers – unless they are professionals within the industry itself. We disagree on the fact that all the information asked from point 3.245 to point 3.262 must be publicly disclosed. This information should be sent to the supervisors only. This information is of little value for the public but of great value for the competitors.	
1.462.	Association of British Insurers	3.243.	<p>This response covers paragraphs 3.243 to 3.262. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We are concerned that the requirement in paragraph 3.243 for the information provided on internal model's to provide a knowledgeable person with a reasonable understanding of the design and operational details of the internal model will result in firm's being required to publish commercially sensitive information which could be damaging to the firm's position. This might be particularly the case with monoline insurers. We, therefore, believe that the information provided publicly on the internal model should be at a relatively high-level.</p>	See comment 1.281
1.463.				
1.464.	CEA, ECO-SLV- 09-453	3.243.	<p>We would ask Ceiops to define “knowledgeable person” and “reasonably good”.</p> <p>Please develop this. Who is a “knowledgeable” person? And what is “reasonably good”?</p> <p>The information requirements on internal models are not appropriate.</p> <p>The information requirements concerning more details on approved internal models are not understandable even for highly informed readers – unless they are professionals within the industry itself. We disagree on the fact that all the information asked from point 3.245 to point 3.262 must be publicly disclosed. This information should be sent to the supervisors only. This information is of little value for the public but of great value for the</p>	<p>Noted. This may be addressed at Level 3</p> <p>See comment 1.281</p>



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			competitors. This might be particularly the case with monoline insurers.  We would like “and operational detail” to be deleted.	Not agreed
1.465.	Danish Insurance Association	3.243.	The demands for public disclosure in the SFCR are generally excessively detailed and far too extensive compared to the target group of the information. The information requirements concerning more details on approved internal models isn't understandable even for highly informed readers – unless they are professionals within the industry itself. As for the public information on internal models there are considerations that less detailed and more generic information should be public for the sake of competitive reasons. This consideration is specifically mentioned in the directive Article 52, 1, (a). The fact that the model is approved after severe investigations by the Supervisor should be a guarantee for the general public that the model is reliable.	See comment 1.281
1.466.	DENMARK: Codan Forsikring A/S (10529638)	3.243.	This says model disclosure is so “a knowledgeable person” can understand it. We would like a further line added saying “but not that a knowledgeable person could re-build the model”.	See comment 1.460
1.467.	European Insurance CFO Forum	3.243.	The level of proposed public disclosure around the internal model is inappropriate, commercially sensitive and should be found only in the RTS.  It is unrealistic to suppose that a “knowledgeable person” can get a reasonably good understanding of the design, operational details and reliability of the internal model unless they are an expert in the insurance industry. It is understood that the SFCR is aimed primarily at policyholders as information for supervisors should be in the RTS.  .	See comment 1.281  The audience for the SFCR is wider than the policyholders .
1.468.	FFSA	3.243.	From 3.245 to 3.262, the CEIOPS describes information that the undertaking or group shall publicly disclose in relation to the internal model.	See comment 1.464

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			FFSA disagrees on the fact that all the information asked from point 3.245 to point 3.262 must be publicly disclosed. This information has to be sent to the supervisors only. Indeed, it gives competitive information as the internal model reflects quite precisely the business of a company. Moreover FFSA thinks that all this information is of little value for the public but of great value for the competitors...	
1.469.	German Insurance Association – Gesamtverb and der D	3.243.	<p>We would ask CEIOPS to define “knowledgeable person” and “reasonably good”.</p> <p>Please develop this. Who is a “knowledgeable” person? And what is “reasonably good”?</p> <p>The information requirements on internal models are not appropriate.</p> <p>The information requirements concerning more details on approved internal models are not understandable even for highly informed readers – unless they are professionals within the industry itself. We disagree on the fact that all the information asked from point 3.245 to point 3.262 must be publicly disclosed. This information should be sent to the supervisors only. This information is of little value for the public but of great value for the competitors. This might be particularly the case with monoline insurers.</p> <p>We would like “and operational detail” to be deleted.</p>	See comment 1.464
1.470.	Just Retirement Limited	3.243.	<p>We believe the current requirements result in the publication of too much information.</p> <p>Companies should not be overburdened with regulatory demands for information - too much information will lead to confusion of readers and making an assessment or a comparison of the information given quite difficult.</p> <p>Reduction of burden for companies is key. Further, the European</p>	<p>See comment 1.281.</p> <p>CEIOPS is addressing the request of the European Commission for advice on Level 2, supplementing what is at Level 1. But the proportionality principle will apply in all cases. If information is not</p>

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			<p>Commission put administrative costs on the agenda by issuing "Action Programme for Reducing Administrative Burdens in the European Union" (COM (2007)23). According to this programme the administrative burdens should be reduced by 25% by 2012. This issue is of special relevance to Pillar III of the Solvency II regime.</p> <p>The costs imposed by information obligations are to be measured and it is critical that any unnecessary requirements should be suppressed if considered as not necessary or too burdensome.</p>	applicable to an undertaking, it will not provide it.
1.471.	KPMG ELLP	3.243.	<p>Paragraph 3.207 refers to a 'principle-based' approach to disclosure requirements with respect to internal models there is however no reference to this approach in this paragraph. As noted under 3.207 above, we question whether the current disclosure requirements are actually in accordance with this principle.</p> <p>A substantial amount of information is required by paragraphs 3,243 to 3.262 which will (presumably) be included within the SFCR. Such detailed disclosure requirements run the risk of a lack of clear identification of key information, and seems excessive for public disclosure. We would prefer that only information that is required to assist in public understanding be included in the SFCR, with the additional detailed information only included in the RTS.</p>	See comment 1.464
1.472.	Legal & General Group	3.243.	<p>As a criteria for public disclosure this is sensible and accords with the with profit PPFM in the UK. However it is not realistic for such a person to understand an internal model. In addition such information, if sufficiently granular, is likely to be commercially sensitive. We do therefore believe that public disclosure about internal models is appropriate.</p> <p>This applies to 3.243-3.262</p>	Noted
1.473.	Link4 Towarzystw o Ubezpieczeń SA	3.243.	<p>This says model disclosure is so "a knowledgeable person" can understand it. We would like a further line added saying "but not that a knowledgeable person could re-build the model".</p>	See comment 1.460

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1.474.	Lloyd's	3.243.	<p>We disagree with the proposed disclosure requirements for internal models.</p> <p>Article 50 (e) (iii) requires disclosures sufficient to allow a proper understanding of the main differences between the underlying assumptions of the standard formula and any internal model used.</p> <p>The level of detailed information required by 3.243 to 3.262 to be publicly disclosed is an excessive interpretation of that requirement. Although we would expect such a level of information to be provided to the supervisor as part of the internal model approval process, we consider this should appear in the RTS (privately) and not in the public SFCR. There is potentially commercially sensitive information within these requirements and the benefit of the public disclosure of such a level of detail is unclear.</p>	See comment 1.281
1.475.	Lucida plc	3.243.	<p>We believe that this is an aspirational objective. The reality is that modelling is very complex and few people outside the industry can be expected to understand the dynamics. In addition, achieving this aim would require voluminous disclosures that would serve no useful purpose.</p>	Noted
1.476.	Munich RE	3.243.	<p>The level of proposed public disclosure relating to the internal model is inappropriate, commercially sensitive and should be provided only in the RTS.</p> <p>It is unrealistic to suppose that a "knowledgeable person" can get a reasonably good understanding of the design, operational details and reliability of the internal model unless they are an expert in the insurance industry. It is understood that the SFCR is aimed primarily at policyholders, as information for supervisors should be in the RTS.</p> <p>The regulator's review of the internal model should give confidence to the public that the internal model is appropriately designed to produce reliable results.</p>	See comment 1.464
1.477.	NORWAY: Codan Forsikring (Branch Norway)	3.243.	<p>This says model disclosure is so "a knowledgeable person" can understand it. We would like a further line added saying "but not that a knowledgeable person could re-build the model".</p>	See comment 1.460

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1.478.	Pearl Group Limited	3.243.	<p>This response covers paragraphs 3.165 to 3.175. Similar considerations apply in respect of these paragraphs as was the case in our response to paragraphs 3.102 etc.</p> <p>We are concerned that the requirement in paragraph 3.243 for the information provided on internal model's to provide a knowledgeable person with a reasonable understanding of the design and operational details of the internal model will result in firm's being required to publish commercially sensitive information which could be damaging to the firm's position. We, therefore, believe that the information provided publicly on the internal model should be at a relatively high-level but that we hold the detailed documentation internally.</p>	See comment 1.476
1.479.	PricewaterhouseCoopers LLP	3.243.	<p>We note that the level of public disclosure of the internal model required is extensive. The level of disclosure is defined in terms of a 'knowledgeable person', but it may be felt that a person knowledgeable in financial modelling may not reflect the main target audience of the SFCR. Our comments on paragraph 3.58 are relevant in this context.</p> <p>Examples of the kind and detail of information CEIOPS would like to see disclosed in this section of the SFCR may be usefully provided in an example SFCR at Level 3 (see our comments on paragraph 3.86), otherwise some undertakings may feel that the provision of sufficient information to meet the requirements of this paragraph may require the disclosure of commercially sensitive information leading to requests for non-disclosure under Article 52 of the Level 1 Directive.</p>	<p>See comment 1.460</p> <p>Noted. This may be addressed at Level 3</p>
1.480.	RSA Insurance Group PLC	3.243.	This says model disclosure is so "a knowledgeable person" can understand it. We would like a further line added saying "but not that a knowledgeable person could re-build the model".	See comment 1.460
1.481.	RSA Insurance Ireland Ltd	3.243.	This says model disclosure is so "a knowledgeable person" can understand it. We would like a further line added saying "but not that a knowledgeable person could re-build the model".	See comment 1.460
1.482.	RSA - Sun	3.243.	This says model disclosure is so "a knowledgeable person" can understand it.	See comment 1.460

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	Insurance Office Ltd.		We would like a further line added saying "but not that a knowledgeable person could re-build the model".	
1.483.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.243.	This says model disclosure is so "a knowledgeable person" can understand it. We would like a further line added saying "but not that a knowledgeable person could re-build the model".	See comment 1.460
1.484.	UNESPA – Association of Spanish Insurers and Reins	3.243.	The complexity of the internal models and the level of detail disclosed in order to protect the confidentiality of their design, would not give possibility to a person with technical knowledge to understand perfectly the features of the Model.	See comment 1.460
1.485.	XL Capital Ltd	3.243.	The information requested in paragraphs 3.243 to 3.262 is often commercially sensitive and therefore we do not believe it should be publicly disclosed.	See comment 1.281
1.486.	Association of Friendly Societies	3.244.	We see no real reason for all this information to be put in the public domain, although clearly it must be shared with the supervisor. We think that it will vastly increase and complicate the SFCR which even without this section is too large and complicated a document to be useful to the general public. See 3.218 above.	See comment 1.281
1.487.	Legal & General Group	3.244.	As in 3.243	See comment 1.472
1.488.	OAC Actuaries and Consultants	3.244.	We see no real reason for all this information to be put in the public domain, although clearly it must be shared with the supervisor. We think that it will vastly increase and complicate the SFCR which even without this section is too large and complicated a document to be useful to the general public. See 3.218 above.	See comment 1.321
1.489.				
1.490.	CEA,	3.245.	See comment to 3.243.	See comment 1.464

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	ECO-SLV-09-453			
1.491.	CRO Forum	3.245.	We consider that the level of proposed public disclosure around the internal model is inappropriate for the audience, commercially sensitive and should be found only in the RTS. It is unrealistic to suppose that a “knowledgeable person” could get a reasonably good understanding of the design, operational details and reliability of an internal model without expertise in the insurance industry.	See comment 1.281
1.492.	European Insurance CFO Forum	3.245.	The level of proposed public disclosure around the internal model is inappropriate, commercially sensitive and should be found only in the RTS.  The disclosures set out in paragraphs 3.245-3.262 are appropriate for supervisors and could be included in the RTS, but are too commercially sensitive and will not aid transparency or effective market communication so should not be the basis for the SFCR disclosures.	See comment 1.281
1.493.	Just Retirement Limited	3.245.	This response covers 3.245 to 3.262. This information is not required to be publicly reported in this level of detail – only high level information is required – further details can be provided through supervisory reporting or review process.	See comment 1.281
1.494.	Legal & General Group	3.245.	As in 3.243	See comment 1.472
1.495.	Munich RE	3.245.	The level of proposed public disclosure relating to the internal model is inappropriate, commercially sensitive and should be found only in the RTS.  The disclosures set out in paragraphs 3.245-3.262 are appropriate for supervisors and could be included in the RTS, but are too commercially sensitive and will not aid transparency or effective market communication so should not be the basis for the SFCR disclosures.	See comment 1.281
1.496.	Association of British Insurers	3.246.	Point (b) requires excessive detail. We recommend making this a more proportionate requirement.	Noted

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1.497.	CRO Forum	3.246.	See 3.245	See comment 1.491
1.498.	European Insurance CFO Forum	3.246.	Comments in 3.245 are also relevant here.	See comment 1.281
1.499.	Groupe Consultatif	3.246.	See comment on 3.208.	See comment 1.288
1.500.	Legal & General Group	3.246.	As in 3.243	See comment 1.472
1.501.	UNESPA – Association of Spanish Insurers and Reins	3.246.	The requirements arising from the processes associated with governance, monitor and control of risks, shall be subject to the principle of proportionality.	Noted
1.502.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.247.	Point a): The use of the internal model within the system of governance? How should one describe that? The words “at least” should be deleted. Point c): This information should be kept confidential.	See comment 1.503
1.503.	CEA, ECO-SLV-09-453	3.247.	Point a): The use of the internal model within the system of governance? How should one describe that? The words “at least” should be deleted. Point c): This information should be kept confidential.	Not agreed
1.504.	CRO Forum	3.247.	See 3.245	See comment 1.491
1.505.	European	3.247.	Comments in 3.245 are also relevant here.	See comment 1.281



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	Insurance CFO Forum			
1.506.	German Insurance Association – Gesamtverb and der D	3.247.	<p>Point a): The use of the internal model within the system of governance? How should one describe that?</p> <p>The words “at least” should be deleted.</p> <p>Point c): This information should be kept confidential.</p>	See comment 1.503
1.507.	Legal & General Group	3.247.	As in 3.243	See comment 1.472
1.508.				
1.509.	AAS BALTA	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	Noted
1.510.	AB Lietuvos draudimas	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.511.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.248.	<p>The words “at least” should be deleted.</p> <p>Point e): Too many details which could be confidential are asked for.</p>	See comment 1.503
1.512.	CEA,	3.248.	The words “at least” should be deleted.	See comment 1.503

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	ECO-SLV-09-453		Point e): Too many details which could be confidential are asked for.	
1.513.	CRO Forum	3.248.	See 3.245	See comment 1.491
1.514.	DENMARK: Codan Forsikring A/S (10529638)	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.515.	European Insurance CFO Forum	3.248.	Comments in 3.245 are also relevant here.	See comment 1.281
1.516.	German Insurance Association – Gesamtverb and der D	3.248.	The words “at least” should be deleted. Point e): Too many details which could be confidential are asked for.	See comment 1.503
1.517.	Groupe Consultatif	3.248.	See comment on 3.208.	See comment 1.288
1.518.	Legal & General Group	3.248.	As in 3.243	See comment 1.472
1.519.	Link4 Towarzystw o Ubezpieczeń SA	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.520.	NORWAY:	3.248.	Footnote 34 to para 3.184 states this information is not required if the	See comment 1.509

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	Codan Forsikring (Branch Norway) (991 502)		undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	
1.521.	PricewaterhouseCoopers LLP	3.248.	See our comments on paragraph 3.243.	See comment 1.479
1.522.	RSA Insurance Group PLC	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.523.	RSA Insurance Ireland Ltd	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.524.	RSA - Sun Insurance Office Ltd.	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.525.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.248.	Footnote 34 to para 3.184 states this information is not required if the undertaking is not required to calculate the std formula alongside its own internal model. Therefore this requirement appears to contradict this. See also 3.377 & 3.423.	See comment 1.509
1.526.	UNESPA – Association of Spanish Insurers and Reins	3.248.	The required level of detail should not be in conflict with the level of confidentiality that each undertaking should preserve, to safeguard their interests.	Noted

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1.527.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.249.	The words “at least” should be deleted.	See comment 1.503
1.528.	CEA, ECO-SLV-09-453	3.249.	The words “at least” should be deleted.	See comment 1.503
1.529.	CRO Forum	3.249.	See 3.245	See comment 1.491
1.530.	European Insurance CFO Forum	3.249.	Comments in 3.245 are also relevant here.	See comment 1.281
1.531.	German Insurance Association – Gesamtverband der D	3.249.	The words “at least” should be deleted.	See comment 1.503
1.532.	Legal & General Group	3.249.	As in 3.243	See comment 1.472
1.533.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURAN	3.250.	<p>The words “at least” should be deleted.</p> <p>It is not clear what is an external model, here. 3.250 is about a certified internal model. For legal clarity should be deleted.</p>	See comment 1.534

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	CES DU			
1.534.	CEA, ECO-SLV- 09-453	3.250.	<p>The words “at least” should be deleted.</p> <p>d) It is not clear what is an external model here. 3.250 is about a certified internal model. For legal clarity d) should be deleted.</p> <p>e) It is not clear what’s the difference to 248 e. Duplication of information should be avoided – delete e).</p>	<p>See comment 1.503</p> <p>This may be addressed at Level 3</p> <p>Not agreed</p>
1.535.	CRO Forum	3.250.	See 3.245	See comment 1.491
1.536.	European Insurance CFO Forum	3.250.	Comments in 3.245 are also relevant here.	See comment 1.281
1.537.	German Insurance Association – Gesamtverb and der D	3.250.	<p>The words “at least” should be deleted.</p> <p>d) It is not clear what is an external model here. 3.250 is about a certified internal model. For legal clarity d) should be deleted.</p> <p>e) It is not clear what’s the difference to 248 e. Duplication of information should be avoided – delete e).</p>	See comment 1.534
1.538.	Groupe Consultatif	3.250.	See comment on 3.208.	See comment 1.288
1.539.	Legal & General Group	3.250.	As in 3.243	See comment 1.472
1.540.	Pricewaterho useCoopers LLP	3.250.	See our comments on paragraph 3.243.	See comment 1.479
1.541.	UNESPA – Association	3.250.	Modelling and aggregation methodologies, and the assumptions made in the internal model, are part of the knowledge and historical experience gathered	Noted

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	of Spanish Insurers and Reins		by the undertaking. Therefore, the description of the methodologies should be at a high level, avoiding details.	
1.542.	AAS BALTA	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	Not agreed
1.543.	AB Lietuvos draudimas	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.544.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.251.	The words “at least” should be deleted. „Description of the key data” should not be required.	See comment 1.546
1.545.	ACORD	3.251.	..including usage of data standards	Noted
1.546.	CEA, ECO-SLV-09-453	3.251.	The words “at least” should be deleted. “Description of the key data” should not be required.	Not agreed
1.547.	CRO Forum	3.251.	See 3.245	See comment 1.491
1.548.	DENMARK: Codan Forsikring A/S (10529638)	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.549.	Dutch Actuarial Society – Actuariële Genootscha	3.251.	Shouldn't this section not also be applicable to firms using standard models ? We would suggest to not specify the requirements in this section under the internal model requirements as this could imply it not to be applicable to the standard model.	Noted

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	p (			
1.550.	European Insurance CFO Forum	3.251.	Comments in 3.245 are also relevant here.	See comment 1.281
1.551.	German Insurance Association – Gesamtverb and der D	3.251.	The words “at least” should be deleted. „Description of the key data” should not be required.	See comment 1.546
1.552.	Groupe Consultatif	3.251.	See comment on 3.208.	See comment 1.288
1.553.	Legal & General Group	3.251.	As in 3.243	See comment 1.472
1.554.	Link4 Towarzystw o Ubezpieczeń SA	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.555.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.556.	RSA Insurance Group PLC	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542

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1.557.	RSA Insurance Ireland Ltd	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.558.	RSA - Sun Insurance Office Ltd.	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.559.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.251.	e) Should this wording be changed to “the quality of the data in respect of the requirements of Article 119 (3)?	See comment 1.542
1.560.				
1.561.	AAS BALTA	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.562.	AB Lietuvos draudimas	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.563.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.252.	The words “at least” should be deleted.	See comment 1.546
1.564.	Association of British Insurers	3.252.	Detailed disclosure in this area could lead to potential selection against the insurer.	Noted
1.565.	CEA, ECO-SLV-	3.252.	The words “at least” should be deleted.	See comment 1.546



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	09-453			
1.566.	CRO Forum	3.252.	See 3.245	See comment 1.491
1.567.	DENMARK: Codan Forsikring A/S (10529638)	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.568.	European Insurance CFO Forum	3.252.	Comments in 3.245 are also relevant here.	See comment 1.281
1.569.	German Insurance Association – Gesamtverb and der D	3.252.	The words “at least” should be deleted.	See comment 1.546
1.570.	Groupe Consultatif	3.252.	See comment on 3.208.	See comment 1.288
1.571.	Legal & General Group	3.252.	As in 3.243	See comment 1.472
1.572.	Link4 Towarzystw o Ubezpieczeń SA	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.573.	Munich RE	3.252.	c) The meaning of c) should be clarified. d) Delete d):d) The assumed management actions; and Assumed management actions should only be part of reporting to the	This may be addressed at Level 3 Not agreed

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			supervisor but not be part of public information.	
1.574.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.575.	PricewaterhouseCoopers LLP	3.252.	We note that there may be duplication between the disclosure required by this paragraph and that required by paragraph 3.154, unless cross referencing without reproduction is permitted (our comments on paragraph 3.64 apply in this context).	This section is specific for undertakings using internal models
1.576.	RSA Insurance Group PLC	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.577.	RSA Insurance Ireland Ltd	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.578.	RSA - Sun Insurance Office Ltd.	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.579.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.252.	Some of this information may be commercially sensitive depending on the level of disclosure required.	See comment 1.281
1.580.	UNESPA – Association of Spanish Insurers and Reins	3.252.	Information related to strategies, mechanisms, procedures, etc., used to mitigate risk, are being required in two different parts of SFCR 3154 and 3252.	See comment 1.575

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1.581.	ACORD	3.253.	IT infrastructure information should also include benchmarking to domestic and international standards.	Noted
1.582.	Association of British Insurers	3.253.	It is not clear what relevance this information will have to users. We recommend deleting this requirement from the SFCR and limiting it to the RTS.	Not agreed
1.583.				
1.584.	CEA, ECO-SLV-09-453	3.253.	We consider publicly disclosing information on the risk management around the operational performance of the internal capital model is excessive.  The risk model is not a vital day-to-day operating system within the business.  "Recovery plan" should be deleted as it is used in a different way in Article 136 of the Level 1 text.	See comment 1.281   Not agreed
1.585.	CRO Forum	3.253.	We consider that the proposal for publicly disclosed information on the risk management around the operational performance of the internal capital model is excessive. The risk model is not a vital day-to-day operating system within the business.  See also 3.245	See comment 1.491
1.586.	European Insurance CFO Forum	3.253.	Comments in 3.245 are also relevant here.	See comment 1.281
1.587.	German Insurance Association – Gesamtverb and der D	3.253.	We consider publicly disclosing information on the risk management around the operational performance of the internal capital model is excessive.  The risk model is not a vital day-to-day operating system within the business.  "Recovery plan" should be deleted as it is used in a different way in Article 136 of the Level 1 text.	See comment 1.584

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1.588.	Legal & General Group	3.253.	As in 3.243	See comment 1.472
1.589.	Munich RE	3.253.	Munich Re considers that the proposal for public disclosure of information on the risk management surrounding the operational performance of the internal capital model is excessive. The risk model is not a vital day-to-day operating system within the business.	See comment 1.281
1.590.	CRO Forum	3.254.	See 3.245	See comment 1.491
1.591.	European Insurance CFO Forum	3.254.	Comments in 3.245 are also relevant here.	See comment 1.281
1.592.	Groupe Consultatif	3.254.	See comment on 3.208.	See comment 1.288
1.593.	Legal & General Group	3.254.	As in 3.243	See comment 1.472
1.594.	CRO Forum	3.255.	See 3.245	See comment 1.491
1.595.	European Insurance CFO Forum	3.255.	Comments in 3.245 are also relevant here.	See comment 1.281
1.596.	Groupe Consultatif	3.255.	See comment on 3.208.	See comment 1.288
1.597.	Legal & General Group	3.255.	As in 3.243	See comment 1.472
1.598.	CRO Forum	3.256.	See 3.245	See comment 1.491

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1.599.	European Insurance CFO Forum	3.256.	Comments in 3.245 are also relevant here.	See comment 1.281
1.600.	Legal & General Group	3.256.	As in 3.243	See comment 1.472
1.601.	UNESPA – Association of Spanish Insurers and Reins	3.256.	The calibration of the internal model with the standard formula parameters would result in additional complications to the undertakings. Nevertheless, as it is being done in the banking industry, the regulator should require this comparison for the first years, and not permanently.	Noted
1.602.	CRO Forum	3.257.	See 3.245	See comment 1.491
1.603.	European Insurance CFO Forum	3.257.	Comments in 3.245 are also relevant here.	See comment 1.281
1.604.	Legal & General Group	3.257.	As in 3.243	See comment 1.472
1.605.	AAS BALTA	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	see comment 1.415

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1.606.	AB Lietuvos draudimas	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.607.	CEA, ECO-SLV-09-453	3.258.	<p>Points a), b), and c): We do not understand the reasons for this information, assuming that the confidence level and time horizon of an approved internal model have been considered equivalent to these of the standard formula.</p> <p>We would like point e) to be deleted.</p>	<p>Noted</p> <p>Not agreed</p>
1.608.	CRO Forum	3.258.	See 3.245	See comment 1.491
1.609.	DENMARK: Codan Forsikring A/S (10529638)	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415

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1.610.	European Insurance CFO Forum	3.258.	Comments in 3.245 are also relevant here.	See comment 1.281
1.611.	German Insurance Association – Gesamtverb and der D	3.258.	We would like point e) to be deleted.	Not agreed
1.612.	Groupe Consultatif	3.258.	See comment on 3.236.	See comment 1.281
1.613.	Legal & General Group	3.258.	As in 3.243	See comment 1.472
1.614.	Link4 Towarzystw o Ubezpieczeń SA	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.615.	NORWAY: Codan Forsikring (Branch	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p>	See comment 1.415

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	Norway) (991 502		<p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	
1.616.	RSA Insurance Group PLC	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.617.	RSA Insurance Ireland Ltd	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.618.	RSA - Sun	3.258.	d) This seems to allow you not to use b) & c) if you explain why. However, it	See comment 1.415



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	Insurance Office Ltd.		<p>is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	
1.619.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.258.	<p>d) This seems to allow you not to use b) &amp; c) if you explain why. However, it is inconsistent with the first sentence of 3.258.</p> <p>e) IF you can provide e) then you probably could provide b) and c). Thus it does not sit well with d)</p> <p>a), b) &amp; e) assume that the model has been built in a certain way. Many internal models will not be built this way and thus this information will not be easily available.</p> <p>This item needs to be changed to allow for at least the usage of fully integrated models. CEIOPS should consult with firms that produce a fully integrated model to establish what items can sensibly be produced for public information.</p>	See comment 1.415
1.620.	CRO Forum	3.259.	See 3.245	See comment 1.491
1.621.	European Insurance CFO Forum	3.259.	Comments in 3.245 are also relevant here.	See comment 1.281
1.622.	Legal & General Group	3.259.	As in 3.243	See comment 1.472
1.623.	ACA –	3.260.	Point a): We consider that the proposed information requirement under (a)	Noted

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	ASSOCIATION DES COMPAGNIES D'ASSURANCES DU		should not be for public disclosure.  Point b): The proposal under (b) does not seem relevant to the section heading, 'Validation analysis'.	CEIOPS is of the view that the level of disclosure in CP58 for internal models should be retained in the final advice, this being an important part of the Solvency 2 Regime
1.624.			Confidential comment deleted	
1.625.	Belgian Coordination Group Solvency II (Assuralia/	3.260.	Question: Should sensitivity tests not being harmonised?	Noted
1.626.	CEA, ECO-SLV-09-453	3.260.	Point a): We consider that the proposed information requirement under (a) should not be for public disclosure.  Point b): The proposal under (b) does not seem relevant to the section heading, 'Validation analysis'.	Not agreed. Materiality applies.
1.627.	CRO Forum	3.260.	We consider that the proposed information requirement under (a) should not be for public disclosure. The proposal under (b) does not seem relevant to the section heading, 'Validation analysis'.  See 3.245	See comment 1.626  See comment 1.491
1.628.	European Insurance CFO Forum	3.260.	Comments in 3.245 are also relevant here.	See comment 1.281
1.629.	German Insurance Association	3.260.	Point a): We consider that the proposed information requirement under (a) should not be for public disclosure.  Point b): The proposal under (b) does not seem relevant to the section	See comment 1.626

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	- Gesamtverb and der D		heading, 'Validation analysis'.	
1.630.	Groupe Consultatif	3.260.	See comment on 3.239.	See comment 1.281
1.631.	Legal & General Group	3.260.	As in 3.243	See comment 1.472
1.632.	Munich RE	3.260.	MR considers that the proposed information requirement under (a) should not be for public disclosure.	See comment 1.626
1.633.				
1.634.	CRO Forum	3.261.	See 3.245	See comment 1.491
1.635.	European Insurance CFO Forum	3.261.	Comments in 3.245 are also relevant here.	See comment 1.281
1.636.	Legal & General Group	3.261.	As in 3.243	See comment 1.472
1.637.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.262.	<p>We consider that a number of the items listed, particularly under (c), (d) and (e) and (f), should not be for public disclosure.</p> <p>The wording on point g) capital add-ons should be revised.</p> <p>For (g), ie capital add-ons, there is an issue relating to the timing of reporting and the knowledge about any add-ons imposed by the supervisor. It may only be possible to report add-ons applicable in the prior year.</p> <p>We would like to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-</p>	See comment 1.639

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			on exists. Point g) should be amended accordingly.	
1.638.			Confidential comment deleted	
1.639.	CEA, ECO-SLV- 09-453	3.262.	<p>We consider that a number of the items listed, particularly under (c), (d) and (e) and (f), should not be for public disclosure.</p> <p>The wording on point g) capital add-ons should be revised.</p> <p>For (g), ie capital add-ons, there is an issue relating to the timing of reporting and the knowledge about any add-ons imposed by the supervisor. It may only be possible to report add-ons applicable in the prior year.</p> <p>We would like to be sure that the proposition here of Ceiops to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists. Point g) should be amended accordingly.</p>	<p>See comment 1.281</p> <p>See revised paragraph</p> <p>See comment 1.219</p>
1.640.	CRO Forum	3.262.	<p>We consider that a number of the items listed, particularly under (c), (d) and (e) and (f), should not be for public disclosure. These requirements seem to stretch the scope of disclosure defined in CP37 "The procedure to be followed for the approval of an internal model: General provisions and some specificities related to partial internal model" (3.179) which aims at disclosing only decisions regarding the approval of (partial) internal models. For (g), ie capital add-ons, there is an issue relating to the timing of reporting and the knowledge about any add-ons imposed by the supervisor. It may only be possible to report add-ons applicable in the prior year.</p> <p>See 3.245</p>	<p>See comment 1.639</p> <p>See comment 1.491</p>
1.641.	European Insurance CFO Forum	3.262.	Comments in 3.245 and 3.197 are also relevant here.	See comment 1.281
1.642.	FFSA	3.262.	g) The CEIOPS requires that insurance and reinsurance undertakings shall publicly disclose information about Capital add-ons prescribed by the	See comment 1.219

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			supervisor FFSA wants to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists	
1.643.	German Insurance Association – Gesamtverb and der D	3.262.	<p>We consider that a number of the items listed, particularly under (c), (d) and (e) and (f), should not be for public disclosure. Also delayed publication is not really an option the more so as the information is of minor importance respectively useless after a certain time period.</p> <p>The wording on point g) capital add-ons should be revised.</p> <p>For (g), ie capital add-ons, there is an issue relating to the timing of reporting and the knowledge about any add-ons imposed by the supervisor. It may only be possible to report add-ons applicable in the prior year.</p> <p>We would like to be sure that the proposition here of CEIOPS to disclose the capital add-on refers to the period after 5 years and not as soon as the add-on exists. Point g) should be amended accordingly.</p>	See comment 1.639
1.644.	Groupe Consultatif	3.262.	See comment on 3.242.	See comment on 1.281
1.645.	Legal & General Group	3.262.	As in 3.243	See comment 1.472
1.646.	Munich RE	3.262.	Munich Re considers that a number of the items listed, particularly under (c), (d) and (e) and (f), should not be for public disclosure. These requirements seem to stretch the scope of disclosure defined in CP37 “The procedure to be followed for the approval of an internal model: General provisions and some specificities related to partial internal model” (3.179) which aims at disclosing only decisions regarding the approval of (partial) internal models. For (g), i.e. capital add-ons, there is an issue relating to the timing of reporting and the knowledge of any add-ons imposed by the supervisor. It may only be possible	See comment 1.639

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			to report add-ons applicable in the prior year.	
1.647.	ACORD	3.263.	Reporting templates should be explicitly linked to data elements from which the information is drawn, with standardized data definitions where possible.	Noted
1.648.	Belgian Coordination Group Solvency II (Assuralia/	3.263.	See general comment.	See comment 3.136
1.649.	Dexia	3.263.	Please note that equivalent banking reporting (FINREP + COREP) are not publicly disclosed. Such information is too sensitive and could give competitive advantage to competitors.	Noted
1.650.	KPMG ELLP	3.263.	We agree that extracts from the QRT should be maintained in their full form and included in a separate annex section of the SFCR.	Noted
1.651.	Lloyd's	3.263.	We note that the quantitative templates for the SFCR provided in this paper are draft and will be finalised in level 3. Whilst we appreciate the reasons for this, we note that it is important that these are presented in a final form as soon as possible to allow (re) insurers sufficient time to implement system and reporting changes etc to be able to meet the new requirements.	Noted
1.652.	Munich RE	3.264.	Duplication of work should be avoided. However, the proposal seems to require extensive duplication through the repetition of information from the group report again at solo level. An efficient way of distributing group information at solo level might be coordination through the college of supervisors. Also, references by a solo entity's report to a group report should be allowed.	Partially agreed. Supervisors are not the only audience for the SFCR.  See revised text
1.653.	Munich RE	3.265.	Duplication of work should be avoided. However, the proposal seems to require extensive duplication through the repetition of information from the group report again at solo level. An efficient way of distributing group information at solo level might be coordination through the college of supervisors. Also references by a solo entity's report to a group report should be allowed.	See resolution of comment 1652

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1.654.	AAS BALTA	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See revised paragraph CEIOPS may develop L3 guidance on the application of Articles 214 and 215.
1.655.	AB Lietuvos draudimas	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.656.			Confidential comment deleted	
1.657.	Belgian Coordination Group Solvency II (Assuralia/	3.267.	See general comment.	See comment 3.136
1.658.	CEA, ECO-SLV-09-453	3.267.	We would request clarification of what is meant here by the 'sub-group level'.	See resolution of comment 1654
1.659.	CRO Forum	3.267.	We would request clarification of what is meant here by the 'sub-group level'.	See resolution of comment 1654
1.660.	DENMARK: Codan Forsikring A/S (10529638)	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.661.	European Insurance CFO Forum	3.267.	The CFO Forum request clarification on what is meant by "sub-group level".	See resolution of comment 1654
1.662.	German Insurance Association	3.267.	We would request clarification of what is meant here by the 'sub-group level'.	See resolution of comment 1654

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	- Gesamtverb and der D			
1.663.	KPMG ELLP	3.267.	'Sub-group' should be defined. Guidance should also be provided of whether 'group level' refers to the entire worldwide group, just the EEA sub-group or both.	See resolution of comment 1654
1.664.	Link4 Towarzystw o Ubezpieczeń SA	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.665.	Munich RE	3.267.	MR requests clarification of what is meant here by the 'sub-group level'. The consolidated group should be the level that reporting is performed at.	See resolution of comment 1654
1.666.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.667.	RSA Insurance Group PLC	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.668.	RSA Insurance Ireland Ltd	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.669.	RSA - Sun Insurance Office Ltd.	3.267.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.670.	SWEDEN:	3.267.	We require clarification as to in what circumstances would subgroup level	See resolution of comment 1654



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	Trygg-Hansa Försäkrings AB (516401-7799)		apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	
1.671.	AAS BALTA	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.672.	AB Lietuvos draudimas	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.673.			Confidential comment deleted	
1.674.	CEA, ECO-SLV-09-453	3.268.	We do not consider “reputational risk” to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	Disagree – Category of risks do not follow necessarily the ones of the standard formula.. Nevertheless, this does not imply a group standard formula (see CP60).
1.675.	CRO Forum	3.268.	We do not consider “reputational risk” to be a separate category of risk in the normal sense. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk. Nevertheless we agree that reputational risks have to be managed and reported.	See resolution of comment 1674
1.676.	DENMARK: Codan Forsikring A/S (10529638)	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	This may be addressed at Level 3
1.677.	European Insurance CFO Forum	3.268.	Comments in 3.143 are also relevant here.	Noted
1.678.	European	3.268.	3.268;	Agreed

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	Union member firms of Deloitte Touche To		The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	
1.679.	German Insurance Association – Gesamtverb and der D	3.268.	We do not consider “reputational risk” to be a separate category of risk. Rather, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	See resolution of comment 1674
1.680.	Link4 Towarzystw o Ubezpieczeń SA	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.681.	Munich RE	3.268.	MR does not consider “reputational risk” to be a separate category of risk. On the contrary, reputational damage is a potential consequence of the risks categorised under underwriting, market, credit, operational and liquidity risk.	See resolution of comment 1674
1.682.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.683.	RSA Insurance Group PLC	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.684.	RSA Insurance	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676

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	Ireland Ltd			
1.685.	RSA - Sun Insurance Office Ltd.	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.686.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.268.	We require clarification regarding what intra-group transactions should be disclosed at a group level.	See resolution of comment 1676
1.687.	AAS BALTA	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.688.	AB Lietuvos draudimas	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.689.	Association of British Insurers	3.270.	We are not clear what is meant by a 'sub-group'.	See resolution of comment 1654
1.690.			Confidential comment deleted	
1.691.	CEA, ECO-SLV-09-453	3.270.	See comment to 3.267. We would like "sub-group level" to be deleted. The level 1 text which allows the supervision of sub-groups (Article 214(4)) does not refer to Article 260, but only to chapter II subsection 1. It clearly follows from this that sub-group supervision does not include the SFCR.	See resolution of comment 1654
1.692.	CRO Forum	3.270.	We would request clarification of what is meant here by the 'sub-group level'.	See resolution of comment 1654
1.693.	DENMARK: Codan Forsikring A/S	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654

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	(10529638)			
1.694.	European Insurance CFO Forum	3.270.	Comments in 3.267 are also relevant here.	Noted
1.695.	German Insurance Association – Gesamtverb and der D	3.270.	See comment to 3.267. We would like “sub-group level” to be deleted. The level 1 text which allows the supervision of sub-groups (Article 214(4)) does not refer to Article 260, but only to chapter II subsection 1. It clearly follows from this that sub-group supervision does not include the SFCR.	Disagreed See resolution of comment 1654
1.696.	KPMG ELLP	3.270.	‘Sub-group’ should be defined.	See resolution of comment 1654
1.697.	Legal & General Group	3.270.	What is the definition of a “sub group”	See resolution of comment 1654
1.698.	Link4 Towarzystw o Ubezpieczeń SA	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.699.	Munich RE	3.270.	MR requests clarification of what is meant here by the ‘sub-group level’.	See resolution of comment 1654
1.700.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.701.	Pearl Group Limited	3.270.	We are not clear what is meant by a ‘sub-group’.	See resolution of comment 1654

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1.702.	PricewaterhouseCoopers LLP	3.270.	This requirement may result in a level of duplication (see our comments on paragraph 3.273).	See resolution of comment 1654 This is a requirement of the Level1 text.
1.703.	RSA Insurance Group PLC	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.704.	RSA Insurance Ireland Ltd	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.705.	RSA - Sun Insurance Office Ltd.	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.706.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.270.	We require clarification as to in what circumstances would subgroup level apply. We note that the neither CP58 nor CP60 give guidance on the application of article 211 to 215. We assume this will follow.	See resolution of comment 1654
1.707.	UNESPA – Association of Spanish Insurers and Reins	3.270.	The requirement to report the same information, at an undertaking and at a group level (where applicable), would lead to duplicity, which could be solved if the report had specific issues to report, at both undertaking and at a group level.	Noted
1.708.			Confidential comment deleted	
1.709.	Belgian Coordination Group Solvency II (Assuralia/	3.271.	See general comment.	Noted

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1.710.	AAS BALTA	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	Disagree – Article 260 does not delete solo undertakings responsibilities of disclosure.
1.711.	AB Lietuvos draudimas	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.712.	CEA, ECO-SLV-09-453	3.272.	See comment to 3.273.	Noted
1.713.	CRO Forum	3.272.	We propose that one language may be used for qualitative disclosures.	Disagree – policyholders are of solo undertakings are a target of the solo provisions on disclosure  The single SFCR shall include inter alia “the information for any of the subsidiaries within the group which must be individually identifiable” (Article 260.2)”
1.714.	DENMARK: Codan Forsikring A/S (10529638)	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.715.	European Insurance CFO Forum	3.272.	Comments in 3.279 are also relevant here.	Noted
1.716.	German Insurance Association – Gesamtverb	3.272.	See comment to 3.273.	Noted

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	and der D			
1.717.	KPMG ELLP	3.272.	This paragraph should make it clear that it is an option (and not a requirement) to produce a single group-wide SFCR replacing the solo level report.	Agreed See revised text
1.718.	Link4 Towarzystw o Ubezpieczeń SA	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.719.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.720.	RSA Insurance Group PLC	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.721.	RSA Insurance Ireland Ltd	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.722.	RSA - Sun Insurance Office Ltd.	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710
1.723.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.272.	Query wording replace. Appears to contradict wording article 260 and text in 3.273b. Cannot identify the reduction in requirements for the Solo SFCR.	See resolution of comment 1710

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1.724.	AAS BALTA	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	Noted See revised text	
1.725.	AB Lietuvos draudimas	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1724	
1.726.			Confidential comment deleted		
1.727.	CEA, ECO-SLV-09-453	3.273.	See comment to 3.277.	Noted	
1.728.	CRO Forum	3.273.	Applies also to 3.277 We recommend that for publication of the SFCR, the default language should be English, with annexes also available in the market language of the local subsidiaries. We note that, the consultation paper does not make clear how the Group report and the solo reporting elements would fit together. The single group-wide SFCR should not lead to duplication of information. Therefore we propose that all group-level elements are dealt with in the main document and only those elements specific to a subsidiary should be dealt with in the annexes.	Noted Agreed on the annexes Disagreed on the main part that should be in a language of the group supervisor and when appropriate in a commonly understandable language Agreed	
1.729.	DENMARK: Codan Forsikring A/S (10529638)	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	Partially agreed There might a possibility of delay granted for the translations. Those translations (at least partial ones) may be necessary under justified circumstances	
1.730.	European Insurance CFO Forum	3.273.	Comments in 3.276 are also relevant here.	Noted	



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1.731.	German Insurance Association – Gesamtverb and der D	3.273.	See comment to 3.277.	Noted
1.732.	KPMG ELLP	3.273.	Subparagraph b) refers t the need for the solo SFCR of 'each subsidiary' to be included. As Solvency II only applies within the EEA, it would be helpful if CEIOPS clarifies to what extent it requires information on non-EEA subsidiaries. If no information is required, some reconciliation between the group SFCR and the aggregate information in these appendices may be helpful to readers in understanding the materiality and risks involved in these non-EEA businesses.	Noted Paragraph b only applies to EEA entities as title I does not apply to non EEA entities. Information including non EEA entities are only the ones at group level.
1.733.	Link4 Towarzystw o Ubezpieczeń SA	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.734.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.735.	PricewaterhouseCoopers LLP	3.273.	The CP proposes that where a group submits a single group wide SFCR, a solo SFCR for each member of the group must also be provided as an annex. This may be unduly burdensome, in particular for large groups with many individual undertakings that are managed on a group basis, and may lead to significant duplication. A proportionate approach may be for groups to provide common disclosures at a group level and only require disclosure at the entity level when needed for a proper understanding of that entity.	Disagreed As stated in Article 260(2), the single SFCR shall comprise <i>"the information for any of the subsidiaries within the group which must be individually</i>

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				<i>identifiable and disclosed in accordance with Articles 50 and 52 to 54."</i>
1.736.	RSA Insurance Group PLC	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.737.	RSA Insurance Ireland Ltd	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.738.	RSA - Sun Insurance Office Ltd.	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.739.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.273.	It is unclear when other translations are needed. This will add delay to the production of the return.	See resolution of comment 1729
1.740.	Association of British Insurers	3.276.	<p>We believe that the main reporting document should be a group level SFCR. Most reporting (eg financial reporting) is at this level and this is the level of information on which most stakeholders are likely to focus.</p> <p>We are concerned that the language requirements in these paragraphs could be very onerous for cross-border groups. We recommend that group SFCR's for cross border groups need only be available in the language normally used for group financial reporting, which will typically be one of the official languages of the state in which the group is domiciled, or a language that is widely understood internationally, such as English.</p> <p>It is unclear how non-EEA subsidiaries should be treated in the group SFCR. This is an issue on which further clarification would be helpful.</p>	<p>Disagreed See Article 260(2b)</p> <p>see resolution of comment 1713</p> <p>See resolution of comment 1732</p>
1.741.	CEA,	3.276.	<p>We believe that the main reporting document should be a group level SFCR. Most reporting (e.g. financial reporting) is at this level and this is the level of</p>	see resolution of comment 1713

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	ECO-SLV-09-453		information on which most stakeholders are likely to focus. It is unclear how non-EEA subsidiaries should be treated in the group SFCR. This is an issue on which further clarification would be helpful.	
1.742.	CRO Forum	3.276.	We propose that one language may be used for qualitative disclosures	See resolution of comment 1713
1.743.	European Insurance CFO Forum	3.276.	<p>The CFO Forum propose one language be used for qualitative disclosures.</p> <p>For a cross border group, the CFO Forum believes efficiencies can be gained by disclosing all qualitative information on only one language (internal company language consistent, usually English). This would apply to the SFCR, the RTS and the Quantitative Templates.</p> <p>Solvency II should not include any additional requirements to provide disclosures in alternative languages other than those already required by local national legislation.</p>	See resolution of comment 1713
1.744.	German Insurance Association – Gesamtverb and der D	3.276.	<p>We believe that the main reporting document should be a group level SFCR. Most reporting (eg financial reporting) is at this level and this is the level of information on which most stakeholders are likely to focus.</p> <p>It is unclear how non-EEA subsidiaries should be treated in the group SFCR. This is an issue on which further clarification would be helpful.</p>	See resolution of comment 1713 and 1732
1.745.	Legal & General Group	3.276.	As in 3.277	Noted
1.746.	Munich RE	3.276.	<p>It has to be stated that the single group-wide report is an option and not a requirement.</p> <p>“The optional single group-wide SFCR.....”</p>	Agreed
1.747.	Pearl Group Limited	3.276.	We believe that the main reporting document should be a group level SFCR. Most reporting (eg financial reporting) is at this level and this is the level of information on which most stakeholders are likely to focus.	See resolution of comment 1713 and 1732

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			It is unclear how non-EEA subsidiaries should be treated in the group SFCR. This is an issue on which further clarification would be helpful.	
1.748.				
1.749.	XL Capital Ltd	3.276.	We would welcome additional guidance on how non EEA groups and non EEA subsidiaries of EEA based groups should be treated.	See resolution of comment 1732
1.750.				
1.751.			Confidential comment deleted	
1.752.	CEA, ECO-SLV-09-453	3.277.	<p>Language requirements should be minimised to reduce the burden on the undertakings.</p> <p>The primary aim of SFCR should not be for supervisory purposes. Therefore supervisory needs should not be considered in the issue of language of the report. We would propose that the single group-wide SFCR should only be written in English, provided that this is a cross-border group.</p> <p>Or at least, in order to reduce the cost and burden for the insurance industry the minimum requirement should only be disclosure of the SFCR in a language understandable by all the supervisory authorities concerned, which does not necessarily have to be the official language of the member state of the group supervisor. It would be almost impossible for groups to handle the very detailed information as suggested in this CP in several different languages for both the SFCR and the RTS. This comment also applies to 3.272, 3.277, and 3.279.</p> <p>From the consultation paper it is unclear what the group report would look like and what solo reporting elements would remain.</p> <p>In our opinion the single group-wide SFCR should not lead to duplication of information. We would understand that all elements which are dealt with on the group level are treated as part of it and only those elements which are not dealt with in this section or are too specific should be dealt with in the</p>	<p>See resolution of comments 1652, 1713, 1728, 1732 and 1735</p> <p>The revised proposal as regards language is to have the group elements in the language of the group supervisor (if needed translation voluntarily by the group and at the request of the group supervisor in a commonly understandable within the College of supervisors for some part of the report)</p> <p>The information specific to solo undertakings should be in the language(s) of their supervisors (if needed translation voluntarily by the group and at the request of the solo supervisor in a commonly understandable within the College of supervisors for some aspects)</p>

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			annexes.		
1.753.	CRO Forum	3.277.	See 3.273		Noted
1.754.	European Insurance CFO Forum	3.277.	Comments in 3.276 are also relevant here.		Noted
1.755.	FFSA	3.277.	<p>The CEIOPS requires that each annex, relating to the single group-wide SFCR, would have to be available, at a minimum, in the official language(s) of the undertaking (parent and each subsidiary) and if needed, in a language commonly understandable by all the other supervisory authorities concerned;</p> <p>As, all these translations seem to be overly burdensome, FFSA requires to have the document only in one language (English)</p>		See resolution of comment 1752
1.756.	German Insurance Association – Gesamtverb and der D	3.277.	<p>Language requirements should be minimised to reduce the burden on the undertakings.</p> <p>The primary aim of SFCR should not be for supervisory purposes. Therefore supervisory needs should not be considered in the issue of language of the report. We would propose that the single group-wide SFCR should only be written in English.</p> <p>Or at least, in order to reduce the cost and burden for the insurance industry the minimum requirement should only be disclosure of the SFCR in a language understandable by all the supervisory authorities concerned, which does not necessarily have to be the official language of the member state of the group supervisor. It would be almost impossible for groups to handle the very detailed information as suggested in this CP in several different languages for both the SFCR and the RTS. This comment also applies to 3.272, 3.277, and 3.279.</p> <p>For SFCR and RTS, the language of the reports should be specified. The</p>		See resolution of comment 1752

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			<p>SFCR should be normally in the same languages as the annual report for comparability purposes. For the RTS of international groups English should be allowed for reasons of comparability.</p> <p>From the consultation paper it is unclear what the group report would look like and what solo reporting elements would remain.</p> <p>In our opinion the single group-wide SFCR should not lead to duplication of information. We would understand that all elements which are dealt with on the group level are treated as part of it and only those elements which are not dealt with in this section or are too specific should be dealt with in the annexes.</p>	
1.757.	Legal & General Group	3.277.	A full set of documentation should be supplied to the lead regulator in that regulators language. If a local regulator has a question about "its" subsidiary then the responses(s) can be in the "local" language. This applies to 3.276 – 3.280.	Disagreed See resolution of comment 1713
1.758.	Munich RE	3.277.	MR recommends that for publication of the SFCR, the default language be English.	Noted
1.759.	PricewaterhouseCoopers LLP	3.277.	Details of which languages are understood by which supervisory authorities should be provided to facilitate compliance with point (b). See also paragraph 3.273.	Noted
1.760.	uniqua	3.277.	Language: The group report should only produced in one language – English-, otherwise it becomes an extent, that is not manageable.	See resolution of comment 1713
1.761.	CRO Forum	3.278.	See 3.276	Noted
1.762.	European Insurance CFO Forum	3.278.	Comments in 3.276 are also relevant here.	Noted

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1.763.	German Insurance Association – Gesamtverb and der D	3.278.	See comment to 3.277.	Noted
1.764.	Legal & General Group	3.278.	As in 3.277	Noted
1.765.	CEA, ECO-SLV-09-453	3.279.	See comment to 3.273.	Noted
1.766.	CRO Forum	3.279.	See 3.276	Noted
1.767.	European Insurance CFO Forum	3.279.	Comments in 3.276 are also relevant here.	Noted
1.768.	FFSA	3.279.	In the case of national groups, the CEIOPS requires that the single group-wide SFCR would have to be available, at a minimum, in the official language(s) of the parent and its subsidiaries. FFSA requires to have the document only in one language (English)	Disagreed – Policyholders are an important target of the SFCR. Furthermore, the use of English is not a requirement for a national insurance group.
1.769.	German Insurance Association – Gesamtverb and der D	3.279.	3.279 is very similar to 3.278, but uses the wording “parent” instead of “the participating (re)insurance undertaking or insurance holding company”. These more technical terms are also used in 3.274. We assume a drafting error and suggest to delete 3.279.  See comment to 3.273.	Agreed

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1.770.	Legal & General Group	3.279.	As in 3.277	Noted
1.771.	CRO Forum	3.280.	See 3.276	Noted
1.772.	European Insurance CFO Forum	3.280.	Comments in 3.276 are also relevant here.	Noted
1.773.	Legal & General Group	3.280.	As in 3.277	Noted
1.774.	ECIROA	3.281.	Captives can complete the RTS. The applicability of the various reporting categories should be considered for captives and only those which are relevant should be required. Principle of proportionality to apply.	The proportionality principle is a general principle under SII which applies throughout all requirements.
1.775.	KPMG ELLP	3.281.	We assume that the requirements of the section on the RTS apply to both the solo and group RTS, but this is not specifically stated anywhere in this section.	Yes, RTS requirements apply to both, solo and group.
1.776.	Lucida plc	3.281.	We would request that CEIOPs reconsider the reporting requirements based on the general comments made earlier. There is a serious risk that important issues could get overlooked due to the focus on drafting and reviewing lengthy documents year to year.	Noted
1.777.	PricewaterhouseCoopers LLP	3.281.	The RTS is referred to in this paragraph as a “document”. In practice it may be more efficient for both supervisors and firms for the RTS or distinct elements thereof to be submitted by electronic means (and the most effective means of submissions may change over times as technologies develop). Article 35 of the Directive provides for supervisory authorities “to determine the ... format” of RTS and we believe that the most appropriate format may differ from territory to territory and over time and so should not be prescribed at Level 2.  In addition, items to be reported under the RTS may include information	The format of reporting may be addressed at Level 3.



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			<p>contained in a number of pre-existing documents that management use for internal purposes (for example the output of the ORSA). We feel that CEIOPS should consider whether other documents used by management, particularly the ORSA, may be included in the RTS in their form used by management, potentially with prior approval from the supervisor (and with a clear indication of which of the RTS requirements they refer to).</p> <p>See also comments on paragraph 3.28.</p>	<p>ORSA falls under RTS requirements, see 3.298.</p>
1.778.	CEA, ECO-SLV-09-453	3.282.	See comment to 3.34.	Noted
1.779.	Danish Insurance Association	3.282.	<p>For obvious reasons the SFCR has to be a stand-alone document – since the public doesn't have access to the RTS. But CEIOPS mentions specifically that also the RTS is a stand-alone document that supervisor should be able to read and understand without following references to any other document.</p> <p>Yet – all elements set out in the SFCR shall be included in the RTS (3.282). This will trigger an additional workload in the undertakings that will be forced to duplicate several pieces of information into the two different reports. This must reflect a wish to avoid supervisors having to look for information in two different places. This is a matter of burden sharing.</p> <p>It's far less efficient if undertakings have to give the same piece of information twice in different contexts – with all the double checking of consistencies between the two this implies - than if supervisor looks for information in two reports rather than one. On top of that the Supervisors job of ensuring consistencies between the two sources even increases – with little or nothing gained with regards to ensuring high quality risk-based supervision.</p>	<p>RTS is a stand-alone document which does not require reference to any other document.</p> <p>The purposes of RTS and SFCR are different.</p>
1.780.	Dexia	3.282.	We do not support the principle of “stand alone document”. When information is present somewhere else and available for regulators, it should not be asked another time. It just leads to duplication of work for entities using XBRL, i.e. additional burdens and costs.	Noted

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1.781.	ECIROA	3.282.	As a general comment, (not only for captives) if the RTS is to include the elements of the SFCR it should be made sure certain that the wording of the requested information is to be the same.	The purposes of RTS and SFCR are different. The wording and the content <u>may</u> be different.
1.782.	Groupe Consultatif	3.282.	Although we acknowledge it as a matter between supervisors and supervised, we suggest that the integrity of both SFCR and RTS would be better assured by envisaging a complementary structure with well-defined cross-referencing from RTS to SFCR.	See comment 1.779
1.783.	KPMG ELLP	3.282.	See comments under 'General comment' with respect to the avoidance of duplication of information.	See comment .1.779
1.784.	PricewaterhouseCoopers LLP	3.282.	See comments on paragraph 3.28.	Noted
1.785.	AAS BALTA	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	This sought to explain the distinction between information solely for the RTS, and information for the SFCR.
1.786.	AB Lietuvos draudimas	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.785
1.787.			Confidential comment deleted	
1.788.	CEA, ECO-SLV-09-453	3.283.	We strongly disagree with the suggestion that information on similar elements may need to be presented differently in the RTS from the SFCR.  For efficiency reasons, it would be expected that the SFCR information will be reiterated in the RTS (or that the RTS refers to the SFCR), with additional material or explanation on a private basis where necessary, but always	See comment 1.785. Undertakings may use different words or terminology in the RTS when there is greater detail required. But the undertaking could present the SFCR element

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			subject to appropriate materiality and in accordance with cost-benefit principles. If there are situations where this does not hold true, these situations should be clearly described at Level 2.	as it appeared there with additional RTS-specific information added.
1.789.	CRO Forum	3.283.	We strongly disagree with the suggestion that information on similar elements may need to be presented differently in the RTS from the SFCR. For efficiency reasons, it would be expected that the SFCR information will be reiterated or referenced in the RTS, with additional material or explanation on a private basis where necessary, but always subject to appropriate materiality and in accordance with cost-benefit principles.	See comment 1.788.
1.790.	Danish Insurance Association	3.283.	Duplicating information is one thing - even less efficient is the opening towards the alleged need to present similar information in different ways in the two documents. This possibility is presented with absolutely no formal admission requirements in order for the Supervisor to be able to use this possibility. Only a vague example of when such requirements could be necessary is presented. There should be some sort of formal requirements as to when the supervisor can demand information - already given and accepted in the SFCR - to be presented in different ways in the RTS.	See comment 1.788.
1.791.	DENMARK: Codan Forsikring A/S (10529638)	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.785.
1.792.	European Insurance CFO Forum	3.283.	<p>The RTS and SFCR should not be expected to present the same information differently.</p> <p>On the basis of efficiency, the CFO Forum strongly disagrees with the proposal that similar elements in the RTS and SFCR may need to be presented differently.</p> <p>The CFO Forum would expect the SFCR information to be a subset of the RTS. The RTS would include additional items on a private basis subject to appropriateness, commercial sensitivity, materiality and cost-benefit</p>	See comment 1.788.

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			principles.	
1.793.	German Insurance Association – Gesamtverb and der D	3.283.	<p>We strongly disagree with the suggestion that information on similar elements may need to be presented differently in the RTS from the SFCR.</p> <p>For efficiency reasons, it would be expected that the SFCR information will be reiterated in the RTS (or that the RTS refers to the SFCR), with additional material or explanation on a private basis where necessary, but always subject to appropriate materiality and in accordance with cost-benefit principles. If there are situations where this does not hold true, these situations should be clearly described at Level 2.</p>	See comment 1.788.
1.794.	Link4 Towarzystw o Ubezpieczeń SA	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.785.
1.795.	Munich RE	3.283.	Information on similar items should not be expected to be presented differently in RTS and SFCR.	See comment 1.788.
1.796.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.785.
1.797.	PricewaterhouseCoopers LLP	3.283.	See comments on paragraph 3.28.	Noted
1.798.	ROAM (Réunion des	3.283.	ROAM disagrees with CEIOPS suggestion that information on similar elements may need to be presented differently in the RTS from the SFCR. For efficiency reasons, ROAM would expect that the SFCR information could be reiterated in the RTS with additional explanations if necessary.	See comment 1.788.

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	Organismes d'Assurance Mutue			
1.799.	RSA Insurance Group PLC	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.875.
1.800.	RSA Insurance Ireland Ltd	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.875
1.801.	RSA - Sun Insurance Office Ltd.	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.875
1.802.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.283.	The RTS requires details of firm responses to supervisory queries on a firm's risk management structure. RSA responds to various queries from the FSA, both formal and informal relating to our risk management structure. The requirement to report all the queries on an annual basis to the FSA will be burdensome and could create duplication.	See comment 1.875
1.803.	ECIROA	3.284.	Captives can develop a written policy. Principle of proportionality to apply.	The proportionality principle is a general principle under SII which applies throughout all requirements.
1.804.	European Union member firms of	3.285.	3.285, states that the policy should detail individuals responsible for drafting and reviewing information in the policy disclosure this appears to be required disclosure but does not appear to be reflected in the draft Level 2 advice.	Not all white text is reflected as Advice.

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	Deloitte Touche To			
1.805.	DIMA (Dublin International Insurance & Management	3.288.	Will CEIOPS insist on separate SFCR and RTS reports for captive undertakings?	Yes, they are (re)insurance undertakings under the Directive
1.806.	Groupe Consultatif	3.288.	See comment on 3.282.	See comment 1.782
1.807.	KPMG ELLP	3.288.	See comments 'General comment' and 3.282	See comment 1.783
1.808.	PricewaterhouseCoopers LLP	3.288.	See comments on paragraph 3.28.	Noted
1.809.	European Union member firms of Deloitte Touche To	3.289.	3.289; The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Not all white text is reflected as Advice
1.810.	Legal & General Group	3.291.	This is very subjective in that a supervisor can always ask for more details. It depends upon what penalties are to be applied should a firm be deemed to be inadequate in some (subjective) way.	Out of scope of this advice.
1.811.	Pearl Group Limited	3.291.	The reference to information being 'complete' should be clarified to make clear that this does not require the publication of immaterial information.	Undertakings's reporting policy should include the principle that is applied to comply with definition of materiality referred to in section 3.2.6.
1.812.	CRO Forum	3.292.	We would ask what penalties will apply and what application for waiver process will be established with regard to reporting deadlines.	Out of scope

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1.813.	European Insurance CFO Forum	3.292.	The CFO Forum recommends that appropriate timescales are discussed and agreed with local regulators.	CEIOPS is composed of representatives of national regulators.
1.814.	Legal & General Group	3.292.	What penalties will be applied if timeframes are missed? What recall will firms have should they supply data/information that is not acted on by a regulator in a timely manner?	Out of scope
1.815.	UNESPA – Association of Spanish Insurers and Reins	3.294.	The reporting system should be proportional to the size of the undertaking and complexity of its business.	The proportionality principle is a general principle under SII which applies throughout all requirements.
1.816.	Dexia	3.295.	Please refer to the comment on the structure of SFCR no. 3.86.	See comment 532
1.817.			Confidential comment deleted	
1.818.			Confidential comment deleted	
1.819.	CEA, ECO-SLV-09-453	3.296.	The RTS should only contain information which is not already in the SFCR. This will not impose new burdens on the supervisory authority, since the RTS and the SFCR follow the same structure and the authority is obliged to review the information in the SFCR in relation to the RTS.	Not agreed
1.820.	Danish Insurance Association	3.296.	The RTS should only contain information which is not already in the SFCR. This will not impose new burdens on the supervisory authority, since the RTS and the SFCR follow the same structure and the authority is obliged to review the information in the SFCR in relation to the RTS anyway.	See comment 1.819
1.821.	ECIROA	3.296.	ECIROA supports Option 3 as this is consistent with the principle of proportionality i.e. reporting can follow a standardised format but the content can be adapted to reflect the size and risk profile of captives.	Noted.
1.822.			Confidential comment deleted	

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1.823.	German Insurance Association – Gesamtverb and der D	3.296.	<p>The RTS should only contain information which is not already in the SFCR.</p> <p>This will not impose new burdens on the supervisory authority, since the RTS and the SFCR follow the same structure and the authority is obliged to review the information in the SFCR in relation to the RTS.</p>	See comment 1.819.
1.824.	Groupe Consultatif	3.296.	We broadly agree with the preference for Option 3, but would not rule out some element of standardisation of qualitative reporting now or in future (as experience is gained).	Noted
1.825.	KPMG ELLP	3.296.	<p>(a) We agree with CEIOPS' preference for Option 3, ie Quantitative reporting templates in a standardised reporting format and qualitative data following a predefined order but in free format, having regard to the need to avoid duplication of information already contained in the published statutory accounts or SFCR.</p> <p>(b) The RTS does require a significant amount of additional information over and above that contained in the SFCR. In order to reduce the burden on undertakings, consideration should be given to permitting undertakings to reference and submit documents already prepared for internal purposes to satisfy the requirements where appropriate rather than replicating this information in the RTS document.</p> <p>(c) It should be borne in mind that only certain items in the RTS will be subject to audit. Consideration should be given to the best way to identify which elements have been audited. This may be able to be specified in the audit report itself, rather than requiring the QRT to be segregated into audited and unaudited sections.</p> <p>(d) In the interests of proportionality, supervisors should be encouraged to discuss their specific information requirements over and above information disclosed in the published accounts and SFCR and agree the actual information they will require based on their understanding of the undertaking.</p>	<p>Noted</p> <p>RTS is a stand-alone document which does not require reference to any other document.</p> <p>The purposes of RTS and SFCR are different.</p> <p>Information to be audited may be addressed at Level 3.</p>
1.826.	Association of British	3.298.	The proposed contents of the RTS appear sensible (although as discussed in our response to paragraph 3.86 we think that the proposed sub-divisions of	Noted. See revised paragraphs



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	Insurers		<p>the risk management section are too detailed and potentially overlapping) but it is unclear to us how the RTS will differ appreciably from the SFCR given the level of detail which the earlier sections of the paper on the SFCR appear to call for.</p> <p>We understood that the intention was that the RTS and the SFCR should be a single document with the SFCR consisting of higher level information and the RTS including also a more detailed level of information which it would be appropriate to give to supervisors. Given the close similarity between the format of the SFCR and that proposed for the RTS it seems that this remains the intention. However, as we have already pointed out the considerable level of detail called for in relation to the SFCR means that we are unclear about the extent to which additional information is required. We call on CEIOPS to provide further illustrations, with examples, of the different levels of detail required.</p> <p>We believe, as discussed in our response to the sections on the SFCR, that the solution to this issue is to reduce the amount of information in the SFCR while retaining the detail in the RTS.</p>	This may be addressed at Level 3
1.827.	Association of Friendly Societies	3.298.	There is enormous duplication between this report and the SFCR. This suggests that, if the SFCR should go ahead then all firms should be required to do is to publish an Annex to the SFCR containing additional supervisory information.	Noted
1.828.			Confidential comment deleted	
1.829.	CEA, ECO-SLV-09-453	3.298.	<p>The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.</p> <p>It is unclear to us how the RTS will differ appreciably from the SFCR given the level of detail which the earlier sections of the paper on the SFCR appear to call for.</p> <p>See comment to 3.344.</p>	<p>The RTS and SFCR would relate to information at the financial year end to link with other disclosures and reporting</p> <p>RTS will also contain information that is regarded as confidential, and be more granular, than SFCR.</p>

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1.830.	CRO Forum	3.298.	We would ask for justification for making ALM risk a separate risk category in section C5. It is not clear how this is distinguished from market and underwriting risk. Nevertheless we agree that risk related to ALM should be managed and reported.	Noted. See revised paragraphs
1.831.	European Insurance CFO Forum	3.298.	Clarification of purpose of ALM risk in section C5 is required.  The CFO Forum requests clarification of the reasoning behind the separate categorisation of ALM risk in section C5. It is not clear how this is distinguished from market and underwriting risk.	See comment 1.830
1.832.	FFSA	3.298.	FFSA suggests confirming that the amount to provide on a quarterly basis is the last year-end SCR calculation, except if there is any significant change.	See comment 1.829
1.833.	German Insurance Association – Gesamtverb and der D	3.298.	The amount to provide on a quarterly basis is the last year-end SCR calculation unless there is significant change in the risk environment of the company.  It is unclear to us how the RTS will differ appreciably from the SFCR given the level of detail which the earlier sections of the paper on the SFCR appear to call for.  See comment to 3.344.	See comment 1.829
1.834.	KPMG ELLP	3.298.	In paragraph 3.86 the SFCR includes an additional paragraph heading 'B.10 Reporting at group level'. It is not clear to us why this heading is not included in the RTS.	Noted. See revised paragraph
1.835.	Legal & General Group	3.298.	Please see the comments in 3.86 and in particular the clarification about the ALM requirement.  In brief delete C1- C7 and incorporate into C8-C12	Noted. See revised paragraphs

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1.836.	Lloyd's	3.298.	A lot of the information required in the RTS is also required in the SFCR. As the supervisor will receive both, it is not clear what is achieved by this duplication. The RTS should only require information not already in the SFCR.	Noted
1.837.	Munich RE	3.298.	Munich Re requests clarification of the reasoning behind the separate categorisation of ALM risk in section C5. It is not clear how this is distinguished from market risk.	See comment 1.830
1.838.	OAC Actuaries and Consultants	3.298.	There is enormous duplication between this report and the SFCR. This suggests that, if the SFCR should go ahead then all firms should be required to do is to publish an Annex to the SFCR containing additional supervisory information.	Noted
1.839.	Pearl Group Limited	3.298.	<p>The proposed contents of the RTS appear sensible (although as discussed in our response to paragraph 3.86 we think that the proposed sub-divisions of the risk management section are too detailed and potentially overlapping) but it is unclear to us how the RTS will differ appreciably from the SFCR given the level of detail which the earlier sections of the paper on the SFCR appear to call for.</p> <p>We understood that the intention was that the RTS and the SFCR should be a single document with the SFCR consisting of higher level information and the RTS including also a more detailed level of information which it would be appropriate to give to supervisors. Given the close similarity between the format of the SFCR and that proposed for the RTS it seems that this remains the intention. However, as we have already pointed out the considerable level of detail called for in relation to the SFCR means that we are unclear about the extent to which additional information is required. We call on CEIOPS to provide further illustrations, with examples, of the different levels of detail required.</p> <p>We believe, as discussed in our response to the sections on the SFCR, that the solution to this issue is to reduce the amount of information in the SFCR</p>	<p>See comment 1.829</p> <p>This may be addressed at Level 3</p> <p>Noted</p>

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			while retaining the detail in the RTS.	
1.840.	PricewaterhouseCoopers LLP	3.298.	<p>While it is for the supervisor to define the information that is required for the purposes of supervision, we note that the information required is extensive and may be seen as a significant burden for some undertakings, notwithstanding the concepts of proportionality and materiality outlined in sections 3.2.4 and 3.2.5.</p> <p>We believe it is important for the information to be provided to the supervisors to be clearly defined. However, there should be proportionate flexibility in the way that is reported to minimise the burden on insurers and to ensure that information can be reported in an effective way. See comments on paragraph 3.28.</p> <p>As for the SFCR (see comments on paragraph 3.86) we believe consideration should be given to allowing insurers to merge the reporting of items under sub-headings where it is proportionate to do so and where it is clearly indicated that this has been done. In particular we note that the results of the ORSA to be reported under item B.4 may encompass a number of other of the prescribed areas of the RTS. Where the ORSA results fulfil this purpose in a way that is appropriate for supervisory reporting we believe it may be appropriate for those other areas to be cross referenced to the ORSA output reported under heading B4 – see further comments on paragraph 3.325 below.</p> <p>Where quantitative information is to be given as part of the RTS it should be clarified (except where it is self evident) whether this should be on an accounting or a solvency basis.</p> <p>To the extent elements of the RTS are subject to external audit these will need to be clearly identifiable and separable from the other parts of the RTS. It may therefore be necessary to revisit the format of the RTS to facilitate this once any external audit requirements have been finalised.</p>	<p>Noted</p> <p>CEIOPS believes it is more important to harmonise the structure, but cross-referencing may be a solution</p> <p>It is already the case.</p> <p>Templates subject to a external audit and the level of assurance may be addressed at Level 3.</p>
1.841.	UNESPA – Association of Spanish	3.298.	The structure of the RTS is almost identical to the structure of the SFCR, except in those aspects related to the goals and strategies (included) and the Group reporting (excluded). Moreover, the exposure, concentration, and	Noted

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	Insurers and Reins		mitigation of underwriting risk are required in two different sections within the structure of the RTS.	
1.842.	XL Capital Ltd	3.298.	The structure of the RTS is exactly the same as that of the SFCR set out in para 3.86. It is unclear whether the intention is to have two different document, or instead, one document with varying degrees of detail, depending on whether the information is to be disclosed publicly or not.	The RTS and SFCR are separate documents, with the SFCR publicly disclosable. The RTS will therefore contain confidential information, including any SFCR information for which permission has been given for non-disclosure therein.
1.843.			Confidential comment deleted	
1.844.	CEA, ECO-SLV-09-453	3.299.	We do not consider that the rationales provided in the green boxes are sufficiently rigorous and considers that an improved cost-benefit analysis taking into account the specified needs of policyholders would be appropriate.	The protection of policyholders is besides maintaining financial stability and pro- cyclicity the objective of supervision. CEIOPS believes even under a cost-benefit analysis that the green boxes are sufficiently rigorous
1.845.	CRO Forum	3.299.	We do not consider that the rationales provided in the green boxes are sufficiently rigorous and consider that an updated cost cost-benefit analysis taking into account the specified needs of policyholders and high level cost estimates for the industry would be appropriate.	See comment to 1.844
1.846.	Munich RE	3.299.	Munich Re does not consider that the rationales provided in the green boxes are sufficiently rigorous and considers that an improved cost-benefit analysis taking into account the specific needs of policyholders and high-level cost estimates for the industry would be appropriate.	See comment to 1.844
1.847.	ACA – ASSOCIATION DES	3.300.	In paragraph 3.300 it is stated that RTS should also include the information required to be publicly disclosed in the SFCR, but these requirements have not been stated explicitly again. It should be enough to make an attachment of SFCR to RTS to avoid burdensome replication. See also comments to	See comment 1.848

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	COMPAGNIE S D'ASSURAN CES DU		paragraph 3.64.	
1.848.	CEA, ECO-SLV- 09-453	3.300.	In paragraph 3.300 it is stated that RTS should also include the information required to be publicly disclosed in the SFCR, but these requirements have not been stated explicitly again. It should be enough to make an attachment of SFCR to RTS to avoid burdensome replication. See also comments to paragraph 3.64.	Noted
1.849.	ECIROA	3.300.	As stated in 2.3 above, captive information is confidential and proprietary. If the RTS is to be used for reporting confidential information to supervisors then captives should only complete the RTS and not the SFCR.	See comment 1.805
1.850.	European Insurance CFO Forum	3.300.	Comments in 3.64 are also relevant here.	Noted
1.851.	KPMG ELLP	3.300.	See comments under 'General comment', 3.2.82 and 3.2.88 above with respect to the avoidance of duplication of information.	See comments to 3.282 and 3.288
1.852.	Pricewaterho useCoopers LLP	3.300.	See comments on paragraph 3.28.	See comment to 160
1.853.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN CES DU	3.301.	We agree with the proposal that any forecast data provided within the RTS is treated as as an estimate by the supervisors. This implies that it should not be subject to review with the later benefit of hindsight.	See comment 1.855
1.854.			Confidential comment deleted	

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1.855.	CEA, ECO-SLV- 09-453	3.301.	We agree with the proposal that any forecast data provided within the RTS is treated as an estimate by the supervisors. This implies that it should not be subject to review with the later benefit of hindsight.	Noted. Forecast data are treated as an estimate by supervisors. For clarification: they will not be reviewed with the later benefit of hindsight but there will be a comparison of the estimations against the results.
1.856.	CRO Forum	3.301.	We agree with the proposal that any forecast data provided within the RTS is treated as an estimate by the supervisors. We would ask for confirmation that forecast data will not be subject to review with the benefit of hindsight.	See comment to 1.855
1.857.	European Insurance CFO Forum	3.301.	The CFO Forum requests confirmation that forecast data will not be subject to review with the benefit of hindsight.  The CFO Forum agrees that forecast data provided in the RTS is to be treated as an estimate by the supervisors. In line with the above, the CFO Forum believes these forecast estimates should not be subject to review with the benefit of hindsight by the relevant authority.	See comment to 1.855
1.858.	KPMG ELLP	3.301.	The requirement to provide the supervisor with forward looking information is a significant new requirement. We are pleased to note that forecast data will be "treated as estimates by the supervisors".	See comment to 1.855
1.859.	Legal & General Group	3.301.	Forward looking projections should not be reviewed with the benefit of hindsight.	See comment to 1.855
1.860.	Munich RE	3.301.	Munich Re agrees with the proposal that any forecast data provided within the RTS be treated as an estimate by the supervisors. This implies that it should not be subject to review with the later benefit of hindsight.	See comment to 1.855
1.861.				
1.862.	CEA, ECO-SLV- 09-453	3.302.	We would point out that the proposed requirement under (d) for "a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not" might be cumbersome to provide.	Noted. See revised paragraph

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1.863.	CRO Forum	3.302.	We would point out that the proposed requirement under (d) for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide. Moreover the principle of materiality should be taken into account.	See comment 1.862  Principle of materiality is taken into account.
1.864.	ECIROA	3.302.	Captives can provide an executive summary.  Captives can report on the business and external environment. Principle of proportionality to apply.	Noted.
1.865.	European Insurance CFO Forum	3.302.	Provision of data under section d) may be onerous to provide.  Section d) requires the description of activities and sources of profit and loss by legal entity across the Group and their subsidiaries. The CFO Forum considers this requirement to be unduly onerous and note that it is not clear what principles would apply under IFRS or other local GAAPs.	See comment 1.862.
1.866.	European Union member firms of Deloitte Touche To	3.302.	3.302 (b), (c), (f);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	Not all white text is included as Advice
1.867.	KPMG ELLP	3.302.		Noted
1.868.	Legal & General Group	3.302.	The provision of data here, especially in (d) is likely to be onerous	See comment 1.862.
1.869.	Munich RE	3.302.	Provision of data under section d) will be onerous to provide.  Section d) requires the description of activities and sources of profit and loss by legal entity across the group and their subsidiaries. MR considers this requirement to be unduly onerous.	See comment 1.862.



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			Supervisors should refer to the solo entities' solvency reporting to assess individual companies solvency status. At group level aggregated data should be sufficient for regular reporting.	
1.870.	ECIROA	3.303.	Captives can provide information on objectives and strategies. Principle of proportionality to apply.	See comment 1.864
1.871.	Munich RE	3.303.	We do not consider that company policy/strategy should be the subject of Solvency II testing and reporting. Information on risk strategy would be provided as a matter of course.  Furthermore only changes from one prior year should be required:  b) An explanation of the significant changes in the undertaking's strategy compared to the prior years, if there have been any; and	Noted. See revised paragraph
1.872.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.304.	We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.	See comment 1.874
1.873.			Confidential comment deleted	
1.874.	CEA, ECO-SLV-09-453	3.304.	We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.	Noted. See revised paragraph
1.875.	CRO Forum	3.304.	Applies also to 3.396  We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.	See comment 1.874
1.876.	European Insurance CFO Forum	3.304.	Proposed information can only be provided at a generic level.  Detailed information relating and the role of each subsidiary with this overall group objectives and strategy can only be provided at a generic level.	See comment 1.874

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1.877.	KPMG ELLP	3.304.		Noted
1.878.	Munich RE	3.304.	<p>Due to local legal requirements, international insurance groups often have small subsidiaries with minor/no relevance for the group strategy.</p> <p>MR considers that the proposed information on the strategic role of each subsidiary should only be provided at a generic level.</p> <p>Change text: Groups should provide a description detailing the objectives and strategies of the group which should include information on the group strategy and the role of each subsidiary the major subsidiaries within that strategy.</p>	See comment 1.874
1.879.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.305.	<p>Point a): The requirement of supplying information on “the administrative or management body's discussion and analysis” is not relevant. Undertakings would be happy to discuss such issues face to face with the supervisors, but not to publish them in a formal report. The same comment applies to 3.306 a), 3.397 a) and 3.398 a).</p> <p>Point e) It would be much too far-reaching if the description of the performance from underwriting activities were to include even administrative or management body's discussion. This should be limited to key decisions.</p>	See comment 1.880
1.880.	CEA, ECO-SLV-09-453	3.305.	<p>Point a): The requirement of supplying information on “the administrative or management body's discussion and analysis” is not relevant. Undertakings would be happy to discuss such issues face to face with the supervisors, but not to publish them in a formal report. The same comment applies to 3.306 a), 3.397 a) and 3.398 a).</p> <p>Point e) It would be much too far-reaching if the description of the performance from underwriting activities were to include even administrative or management body's discussion. This should be limited to key decisions.</p>	<p>Supervisors are very careful in safeguarding sensitive information.</p> <p>Undertakings could include in the RTS a copy of the minutes of the boards meetings to fulfill this requirement.</p>
1.881.	CRO Forum	3.305.	We note that point a) asks for some very sensitive data. It is imperative that supervisors are very careful in safeguarding such information. Alternatively,	See comment to 1.880.

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			undertakings could discuss such issues face to face with the supervisors and not publish the information in a formal report. The same comment applies to 3.306 a), 3.397 a) and 3.398 a).	
1.882.	Dexia	3.305.	Entities that publish under IFRS are disclosing a “segment reporting”. Please do not prescribe any definition of business or geographical segment in order not to duplicate the work for entities.	Noted
1.883.	ECIROA	3.305.	Captives can provide information on underwriting performance. Principle of proportionality to apply.	Noted.
1.884.	European Insurance CFO Forum	3.305.	The proposal under section a) is not relevant. The requirement to provide information under section a) on underwriting performance by line of business relative to business plan is not relevant. Undertakings could however discuss such issues in meetings with the supervisors. This also applies to 3.306a), 3.397a) and 3.398a)  Comments in 3.105 are also relevant here.	See comment to 1.880.
1.885.	European Union member firms of Deloitte Touche To	3.305.	3.305 (b); The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1.866.
1.886.	Munich RE	3.305.	In line with 3.306a) it has to be stated clearly that underwriting performance may be presented based on administrative or a management body's analysis. The ideal is for close alignment of the Solvency II balance sheet and IFRS, thus avoiding the need to provide separate guidelines on the basis for determining economic profits or losses. An analysis of underwriting performance consistent with financial reporting would have the benefit of being audited and reliable.	There can be a close alignment between Solvency II balance sheet and IFRS for those undertakings reporting under IFRS. But not all undertakings have IFRS reporting.

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			<p>a) The requirement to provide information under section a) on underwriting performance by line of business relative to business plan is not relevant.</p> <p>Undertakings could however discuss such issues in meetings with the supervisors. This also applies to 3.306a), 3.397a) and 3.398a)</p> <p>Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.</p>	<p>See comment 1.880.</p> <p>See comment 1.855.</p>
1.887.	PricewaterhouseCoopers LLP	3.305.	The comments on the distinction of underwriting and investment activities in respect of the SFCR (see paragraph 3.105) also apply to the RTS.	See comment 701
1.888.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.306.	<p>Point a) It would be much too far-reaching if the description of the performance from investment activities were to include even administrative or management body's discussion. This should be limited to key decisions.</p> <p>Point b): We consider that the proposed requirement under (b) to provide "details on investment expenses incurred over the year compared to expectations of future years" only to be feasible in terms of broad percentage estimates.</p> <p>Please also see comment to 3.305.</p>	See comment to 1.890.
1.889.			Confidential comment deleted	
1.890.	CEA, ECO-SLV-09-453	3.306.	<p>Point a) It would be much too far-reaching if the description of the performance from investment activities were to include even administrative or management body's discussion. This should be limited to key decisions.</p> <p>Point b): We consider that the proposed requirement under (b) to provide "details on investment expenses incurred over the year compared to expectations of future years" only to be feasible in terms of broad percentage estimates.</p> <p>Please also see comment to 3.305.</p>	<p>Not agreed.</p> <p>Noted.</p>

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1.891.	CRO Forum	3.306.	<p>Applies also to 3.398</p> <p>We consider that the proposed requirement under (b) to provide “details on investment expenses incurred over the year compared to expectations of future years” only to be feasible in broad percentage terms.</p>	See comment to 1.890.
1.892.	Dutch Actuarial Society – Actuariële Genootschap (	3.306.	<p>Comment relates to bullet c: giving that investments are to be included at marketvalue, we do not understand what the listed assumptions relate to. If these are the implied market assumptions that lead to the recorded market value than we would ask this to be clarified.</p>	This may be addressed at Level 3
1.893.	ECIROA	3.306.	<p>Captives can provide information on investment activities. Principle of proportionality to apply.</p>	Noted.
1.894.	European Insurance CFO Forum	3.306.	<p>The data referenced in the proposal under section b) can only be provided in broad percentage terms.</p> <p>Section b) relates to details on investment expenses incurred over the year compared to expectations of future years.</p> <p>Comments in 3.105 are also relevant here.</p>	See comment to 1.890.
1.895.	European Union member firms of Deloitte Touche To	3.306.	<p>3.306 (b);</p> <p>The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice</p>	See comment 1.866
1.896.	Munich RE	3.306.	<p>In line with 3.306 a) it has to be stated clearly that investment performance may be presented based on administrative or a management body's analysis.</p> <p>The ideal is for close alignment of the Solvency II balance sheet and IFRS, thus avoiding the need to provide separate guidelines on the basis for determining economic profits or losses.</p>	See comment to 1.886

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			<p>An analysis of investment performance consistent with financial reporting would have the benefit of being audited and reliable.</p> <p>a) The requirement to provide information under section a) on investment performance by line of business is not relevant.</p> <p>Undertakings could however discuss such issues in meetings with the supervisors.</p> <p>b) The data referenced in the proposal under section b) can only be provided in broad percentage terms.</p>	See comment to 1.890.
1.897.	PricewaterhouseCoopers LLP	3.306.	See paragraph 3.305 above.	See comment 1.887
1.898.	ECIROA	3.307.	Captives can provide information on operating/other expenses. Principle of proportionality to apply.	Noted.
1.899.	Association of British Insurers	3.309.	This response covers paragraphs 3.309 to 3.317. We agree that these are all issues where the regulators need to have a knowledge and understanding of an insurer's situation. Regulators should, of course, bear in mind that management are responsible for the running of the business – some of the language in this section (for example, where it says regulators need to be satisfied with what management are doing implies an inappropriate degree of regulatory involvement).	Not agreed
1.900.	CEA, ECO-SLV-09-453	3.309.	<p>This response covers paragraphs 3.309 to 3.317. We agree that these are all issues where the regulators need to have a knowledge and understanding of an insurer's situation. Regulators should, of course, bear in mind that management are responsible for the running of the business – some of the language in this section (for example, where it says regulators need to be satisfied with what management are doing implies an inappropriate degree of regulatory involvement).</p> <p>Broad understanding of annual overall profit situation is sufficient – detailed</p>	See comment to 1.899.

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			<p>performance reporting should not be required.</p> <p>We agree that the solo supervisor will need a broad understanding of the annual overall profit situation of the undertaking or that the group supervisor will need a broad understanding of the annual overall profit situation of the group, respectively. However, a detailed performance reporting per line of business and/or per geographical area is not necessary at regular intervals for that purpose and, therefore it should not be required. Especially for groups a very high level aggregation based on accounting figures and segmentation, in accordance with internal reporting to the top management, should be allowed for. As long as no material overall losses have occurred, there is only little need to provide additional detailed information on request of supervisors. Cases for discussing the performance on detailed level with the top management are regarded as exceptional.</p>	
1.901.	German Insurance Association – Gesamtverb and der D	3.309.	<p>This response covers paragraphs 3.309 to 3.317. We agree that these are all issues where the regulators need to have a knowledge and understanding of an insurer's situation. Regulators should, of course, bear in mind that management are responsible for the running of the business – some of the language in this section (for example, where it says regulators need to be satisfied with what management are doing implies an inappropriate degree of regulatory involvement).</p> <p>Broad understanding of annual overall profit situation is sufficient – detailed performance reporting should not be required</p> <p>We agree that the solo supervisor will need a broad understanding of the annual overall profit situation of the undertaking or that the group supervisor will need a broad understanding of the annual overall profit situation of the group, respectively. However, a detailed performance reporting per line of business and/or per geographical area is not necessary at regular intervals for that purpose and, therefore it should not be required. Especially for groups a very high level aggregation based on accounting figures and segmentation, in accordance with internal reporting to the top management, should be allowed for. As long as no material overall losses have occurred, there is only little need to provide additional detailed information on request of supervisors.</p>	See comment to 1.899.

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			Cases for discussing the performance on detailed level with the top management are regarded as exceptional.	
1.902.	Pearl Group Limited	3.309.	This response covers paragraphs 3.309 to 3.317. We agree that these are all issues where the regulators need to have a knowledge and understanding of an insurer's situation. Regulators should, of course, bear in mind that management are responsible for the running of the business – some of the language in this section (for example, where it says regulators need to be satisfied with what management are doing implies an inappropriate degree of regulatory involvement).	See comment to 1.899.
1.903.	CEA, ECO-SLV-09-453	3.310.	21. We think that it would be sufficient to provide an annual split of premiums per mayor geographical area to satisfy the group supervisors' information need in respect of the jurisdictions in which groups write their business. A detailed performance reporting per country should not be required. 22.	The requirement for supervisory awareness of other related jurisdictions is principles based. An annual split of premiums by major geographical area can be considered as one of the sources of information but not necessarily the only source.
1.904.	German Insurance Association – Gesamtverb and der D	3.310.	We think that it would be sufficient to provide an annual split of premiums per mayor geographical area to satisfy the group supervisors' information need in respect of the jurisdictions in which groups write their business. A detailed performance reporting per country should not be required.	Seecomments 1.903.
1.905.			Confidential comment deleted	
1.906.	CEA, ECO-SLV-09-453	3.311.	We would point out that the proposed requirement for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide.	Groups needs to understand sources of profit and losses within the group ... – agree on the principle of proportionality from a group perspective
1.907.	CRO Forum	3.311.	We would point out that the proposed requirement for “a description of activities and sources of profits or losses by legal entities across the group	Refer comment 1.906



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			their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not" would be cumbersome and, for large groups, impractical to provide. The principle of materiality should be applied.	
1.908.	European Insurance CFO Forum	3.311.	Provision of proposed data may be too onerous to provide. Comments in 3.302 are also relevant here	See comment to 1.861.
1.909.	German Insurance Association – Gesamtverband der D	3.311.	We would point out that the proposed requirement for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide.	Refer comment 1.906
1.910.	Munich RE	3.311.	Provision of proposed data may be too onerous. Comments in 3.302 are also relevant here.	See comment to 1.869.
1.911.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.314.	We do not agree with the statement that “the supervisor should be satisfied with how...performance matches the undertaking's or the group's projections”. Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.	See comment to 1.913.
1.912.			Confidential comment deleted	
1.913.	CEA, ECO-SLV-09-453	3.314.	We do not agree with the statement that “the supervisor should be satisfied with how...performance matches the undertaking's or the group's projections”. Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.	Not agreed
1.914.	CRO Forum	3.314.	We do not agree with the statement that “the supervisor should be satisfied with how...performance matches the undertaking's or the group's	See comment to 1.913.

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			projections". Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.	
1.915.	European Insurance CFO Forum	3.314.	<p>The above proposal is more than that realistically required to protect policyholders' interests.</p> <p>The CFO Forum disagree with the proposal herein: "The supervisor should be satisfied with how senior management make underwriting decisions and how the performance matches the undertaking or the group's projections".</p>	See comment to 1.913.
1.916.	German Insurance Association – Gesamtverb and der D	3.314.	We do not agree with the statement that "the supervisor should be satisfied with how...performance matches the undertaking's or the group's projections". Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.	See comment to 1.913.
1.917.	Munich RE	3.314.	<p>Munich Re does not agree with the statement that "the supervisor should be satisfied with how...performance matches the undertaking's or the group's projections". Performance versus plan assessment goes considerably beyond what is required to protect policyholder interests.</p> <p>In our view it is not a legitimate role of the supervisor to judge management's underwriting decisions or the match between performance and plan. We also do not see that it should be necessary to protect policyholders' interests.</p>	See comment to 1.913.
1.918.	CEA, ECO-SLV-09-453	3.315.	The wording:"the supervisor should be satisfied with how senior management make investment decisions" is rather unfortunate and should be amended. It is always the management and board of the company that is responsible for investment decisions and other important decisions, not the supervisors.	The supervisor has to be satisfied that the prudent person principle is being applied and monitored
1.919.	German Insurance Association – Gesamtverb	3.315.	The wording:"the supervisor should be satisfied with how senior management make investment decisions" is rather unfortunate and should be amended. It is always the management and board of the company that is responsible for investment decisions and other important decisions, not the supervisors.	See comment to 1.918.

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	and der D			
1.920.	Munich RE	3.315.	In our view it is not a legitimate role of the supervisor to judge management's investment decisions. It is always the management and board of the company that is responsible for investment decisions and other important decisions, not the supervisors.	See comment to 1.918.
1.921.	ECIROA	3.319.	Captives can provide information on General governance arrangements. Principle of proportionality to apply.	Noted.
1.922.	European Union member firms of Deloitte Touche To	3.319.	3.319 requires that companies demonstrate that policies on risk management, internal control, internal audit and, where relevant, outsourcing, are in line with the undertaking's business strategy. We consider that a statement in the RTS confirming that that they are in line with the business strategy, evidenced through examples that have occurred in the year, could be sufficient. Further examples of this are found at 3.323 and 3.324.	Noted
1.923.	Dexia	3.320.	This kind of disclosure already exists in IFRS Financial Statements.	Not all undertakings report under IFRS.
1.924.	European Union member firms of Deloitte Touche To	3.320.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1,866
1.925.	Munich RE	3.320.	Information should not be required on each and every transaction with shareholders and members of the board (supervisory or management body); only information on major transactions should be considered relevant for the purposes of supervision.	Materiality principle applies here.
1.926.	CEA, ECO-SLV-09-453	3.321.	It would be much too far-reaching if the information on general governance arrangements were to include "actions that may have been taken". The RTS should be a collection of facts and realistic expectations.	Noted. See revised paragraph.

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1.927.	European Union member firms of Deloitte Touche To	3.321.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1.924
1.928.	Munich RE	3.321.	The reference to “information ... that has been the subject of supervisory dialogue” is too vague and should be replaced by a clear definition. Relevant information may cover areas of improvement of governance arrangements that have been identified by the supervisor and are the subject of supervisory requirements.	This may be addressed at Level 3.
1.929.	ECIROA	3.322.	Captives can provide information regarding fit and proper processes. Principle of proportionality to apply.	Noted.
1.930.	European Insurance CFO Forum	3.322.	The CFO Forum supports the points made in this paragraph.	Noted.
1.931.	KPMG ELLP	3.322.	In some jurisdictions, such as the UK, the regulator has a pre-approval and monitoring process in place with respect to senior management and staff performing ‘controlled functions’. In such circumstances it would not appear to be necessary to supply the regulator with a list of persons subject to Article 42 and their functions (see also the comment under 3.2.96 with respect to proportionality).	Not agreed
1.932.	Lucida plc	3.322.	We would point out that self assessment of fit and proper is unlikely to be effective. The supervisors should form a view and more importantly take action before it is too late.	This is out of scope of this Advice
1.933.			Confidential comment deleted	
1.934.	CEA, ECO-SLV-09-453	3.323.	“Evidence of key decisions taken on the basis of management information presented to the administrative or management body” would be available to the supervisors in the board meeting minutes of the undertaking, and is therefore not relevant to publish in the RTS.	Information requirements as outlined especially in this paragraph can be fulfilled by submitting documents already

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				prepared for internal purposes (submission of the board papers and minutes e.g.). The RTS is a private report to supervisors.
1.935.	CRO Forum	3.323.	Where “evidence of key decisions taken on the basis of management information presented to the administrative or management body” is available to supervisors in the board meeting protocols of the undertaking, these should not have to be replicated in the RTS.	See comment to 1.934.
1.936.	ECIROA	3.323.	Captives either outsource risk management to professional licensed captive management companies or are subject to the risk management policies of their parent companies. Principle of proportionality to apply.	Noted.
1.937.	European Insurance CFO Forum	3.323.	Evidence available in Board papers and minutes should not be replicated in the RTS.  “Evidence of key decisions taken on the basis of management information presented to the administrative or management body” would be available to the supervisors in the board meeting protocols of the undertaking, and is therefore not relevant to publish in the RTS.	See comment to 1.934.
1.938.	KPMG ELLP	3.323.	The information requirements outlined in this paragraph are an example of where it is likely to be appropriate, in order to reduce the burden on undertakings, to permit submission of documents already prepared for internal purposes to satisfy the requirements.	See comment to 1.934.
1.939.	Munich RE	3.323.	“Evidence of key decisions taken on the basis of management information presented to the administrative or management body” would be available to the supervisors in the board minutes of the undertaking and there is therefore no necessity for them to be published in the RTS.	See comment to 1.934.
1.940.	European Union member firms of Deloitte Touche To	3.324.	3.324 (a) and (b);  The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1.866

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1.941.	Munich RE	3.324.	b) Reporting of details of staffing and organisational structure would cause a lot of additional work for insurance companies and not add to transparency.  Change text: b)Details Overview of the staffing and organisational structure of those responsible for the risk management system.	CEIOPS disagrees.
1.942.	AAS BALTA	3.325.	Clarification is needed as to what level of detail should be provided on the entity's and group's strategy.	This may be addressed at Level 3
1.943.	AB Lietuvos draudimas	3.325.	Clarification is needed as to what level of detail should be provided on the entity's and group's strategy.	See comment 1.942.
1.944.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.325.	We would welcome a clarification with regard the ORSA.  Will the reporting on the ORSA be published only in the SFCR and RTS or will there also be requirements of a separate ORSA report?  Point b): We would suggest that “all current and future exposures” is changed to “all current and future material exposures”.	See comment 1.946
1.945.			Confidential comment deleted	
1.946.	CEA, ECO-SLV-09-453	3.325.	We would welcome a clarification with regard the ORSA.  Will the reporting on the ORSA be published only in the SFCR and RTS or will there also be requirements of a separate ORSA report?  Point b): We would suggest that “all current and future exposures” is changed to “all current and future material exposures”.	There is no necessity of a separate ORSA report being submitted. The process is reported in the SFCR and the process and outcome in the RTS.  Materiality and proportionality principle apply to all parts of the SFCR and RTS report.
1.947.	CRO Forum	3.325.	Applies also to 3.404  We would emphasise the importance of materiality in relation to ORSA disclosures.	See comment to 1.946.
1.948.	DENMARK:	3.325.	Clarification is needed as to what level of detail should be provided on the	This may be addressed at Level 3

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	Codan Forsikring A/S (10529638)		entity's and group's strategy.	
1.949.	ECIROA	3.325.	Captives can provide information on the ORSA. Principle of proportionality to apply.	Noted.
1.950.	European Insurance CFO Forum	3.325.	ORSA disclosures should be based on materiality. 3. Will the ORSA be published separately as well as being included in the SFCR and RTS? 4. We suggest that "all current and future exposures" is changed to "all current and future material exposures".	See comment to 1.946.
1.951.	European Union member firms of Deloitte Touche To	3.325.	3.325 (b) and (e), a section on off balance sheet exposures in (b) is not reflected in the draft Level 2 advice;	See comment 1.866
1.952.	KPMG ELLP	3.325.	As noted above under 3.117, we agree that the process to fulfil the ORSA requirements should be made public in the SCFR whereas the results of the ORSA should be privately reported in the RTS.	Noted.
1.953.	Link4 Towarzystw o Ubezpieczeń SA	3.325.	Clarification is needed as to what level of detail should be provided on the entity's and group's strategy.	See comment 1.948
1.954.	Lloyd's	3.325.		Noted
1.955.	NORWAY: Codan	3.325.	Clarification is needed as to what level of detail should be provided on the entity's and group's strategy.	See comment 1.948.

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	Forsikring (Branch Norway) (991 502)			
1.956.	PricewaterhouseCoopers LLP	3.325.	<p>We note that the ORSA covers conceptually similar ground to the RTS: “the ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks a (re)insurance undertaking faces or may face and to determine the own funds necessary to ensure that the undertaking’s overall solvency needs are met at all times.”. This appears, prima facie, to be a similar scope to the purpose of the RTS, to provide “all regularly reported information necessary for the purpose of supervision”.</p> <p>There may therefore be overlap between information in the ORSA and information required to be disclosed under sub-headings of the RTS. This may result in duplication, and our comments on paragraph 3.281 apply.</p> <p>In order to produce efficiencies, some undertakings may be inclined to structure their ORSA around the format of the RTS when this may not be the most appropriate structure for their business.</p>	See comment to 1.946.
1.957.	RSA Insurance Group PLC	3.325.	Clarification is needed as to what level of detail should be provided on the entity’s and group’s strategy.	See comment 1.948.
1.958.	RSA Insurance Ireland Ltd	3.325.	Clarification is needed as to what level of detail should be provided on the entity’s and group’s strategy.	See comment 1.948.
1.959.	RSA - Sun Insurance Office Ltd.	3.325.	Clarification is needed as to what level of detail should be provided on the entity’s and group’s strategy.	See comment 1.948.
1.960.	SWEDEN: Trygg-Hansa Försäkrings	3.325.	Clarification is needed as to what level of detail should be provided on the entity’s and group’s strategy.	See comment 1.948.



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	AB (516401-7799)			
1.961.	CEA, ECO-SLV-09-453	3.326.	We interpret section (a) of this paragraph as a commitment to match solvency and financial reporting data requirements in order to assist transparency, avoid confusion and achieve maximum reporting efficiency.	Noted. See revised paragraph
1.962.	CRO Forum	3.326.	We interpret section (a) of this paragraph as a commitment to match solvency and financial reporting data requirements in order to assist transparency, avoid confusion and achieve maximum reporting efficiency and ask for confirmation.	See comment to 1.961.
1.963.	ECIROA	3.326.	Captives can provide information on Internal control. The majority of captives outsource their administration to professional licensed captive management companies. Captives can provide details of this outsourcing including details of the service agreement.	Noted.
1.964.	European Insurance CFO Forum	3.326.	The CFO Forum request clarification of the alignment of financial reporting and regulatory reporting in section a)	See comment to 1.961.
1.965.	European Union member firms of Deloitte Touche To	3.326.	3.326, 3.327 & 3.339 (a)- (i), the draft Level 2 advice has summaries of these explanatory note paragraphs, but does not contain the same level of detail;	See comment 1.866
1.966.	KPMG ELLP	3.326.	The comment in 3.323 applies equally here.	See comment to 1.934.
1.967.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURAN	3.328.	We would request clarification of the meaning of 'internal strategies' in section (c). It would not seem to be the task of the internal audit function to control that corporate strategy is being implemented.	See comment to 1.969.

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	CES DU			
1.968.			Confidential comment deleted	
1.969.	CEA, ECO-SLV- 09-453	3.328.	We would request clarification of the meaning of 'internal strategies' in section (c). It would not seem to be the task of the internal audit function to control that corporate strategy is being implemented.	This may be addressed at Level 3
1.970.	CRO Forum	3.328.	We request clarification of the meaning of 'internal strategies' in section (c). We do not believe it is the role of the internal audit function to control that corporate strategy is being implemented.	See comment to 1.969.
1.971.	ECIROA	3.328.	Captives are too small to have their own internal audit function. They are normally subject to the controls of the Internal Audit function of the parent company. Information regarding this function and findings of audits can be provided. Principle of proportionality to apply.	Noted.
1.972.	European Insurance CFO Forum	3.328.	The CFO forum request clarification as to what is meant by "internal strategies" in section c)  The CFO Forum does not believe it is the role of the internal audit function to control the corporate strategy to be implemented.	See comment to 1.969.
1.973.	European Union member firms of Deloitte Touche To	3.328.	(f) "and mitigate risk from internal audit work" should read, "and mitigate risk identified through internal audit work".	Noted. See revised paragraph
1.974.	KPMG ELLP	3.328.	The disclosure requirements appear extensive. The comments in 3.296(d) apply equally here.	The RTS is not for public disclosure.
1.975.	Lucida plc	3.328.		Noted
1.976.	Munich RE	3.328.	MR requests clarification of the meaning of 'internal strategies' in section (c). It would not seem to be the task of the internal audit function to verify whether corporate strategy is being implemented.	See comment to 1.969.

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1.977.				
1.978.	CEA, ECO-SLV- 09-453	3.329.	We agree with the roles of the actuarial function and point out that it is for each undertaking to decide how to organise the relationship between the actuarial and risk management functions, provided the appropriate levels of independence are maintained.	Noted.
1.979.	CRO Forum	3.329.	We agree with the roles of the actuarial function and point out that it is for each undertaking to decide how to organise the relationship between the actuarial and risk management functions, ensuring the appropriate levels of independence are maintained.	See comment to 1.978.
1.980.	ECIROA	3.329.	Captives are too small to have their own actuarial function. This function is normally outsourced to professional licensed captive management companies or to independent actuaries. Captives can provide information regarding the outsourcing of this function.	Noted.
1.981.	European Insurance CFO Forum	3.329.	The CFO Forum agrees with the role of the actuarial function.  The CFO Forum point out it is for each undertaking to determine the relationship between the actuarial and risk functions, ensuring appropriate independence is maintained.	See comment to 1.978.
1.982.	Institut des actuaires (France)	3.329.	The information required under this paragraph should be covered in the report prepared by the actuarial function. Institut des Actuaire recommends to make clear whether or not this requirement could or should be met by providing a copy of the actuarial report to the supervisor.	The RTS should contain this information.
1.983.	KPMG ELLP	3.329.	See 3.328	See comment to 1.974.
1.984.	Munich RE	3.329.	It is for each undertaking to decide how to organise the relationship between the actuarial and risk management functions, provided the appropriate levels of independence are maintained.	See comment to 1.978.
1.985.	CEA, ECO-SLV- 09-453	3.330.	See comment to 3.408.	See comment to 2.176.

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1.986.	ECIROA	3.330.	The majority of captives outsource all of their administrative activities to professional licensed captive management companies. These companies are licensed and controlled by the Regulator in their location. The acceptance by Regulators of the ability of the staff of these management companies and their systems and procedures is an important factor when considering the quantity of information required from captives. Principle of proportionality to apply.	Noted.
1.987.	European Union member firms of Deloitte Touche To	3.330.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1.866
1.988.	KPMG ELLP	3.330.	See 3.3.28	See comment to 1.974.
1.989.	CEA, ECO-SLV-09-453	3.331.	See comment to 3.408.	See comment to 2.176.
1.990.	CEA, ECO-SLV-09-453	3.332.	We support the text in this paragraph.	Noted.
1.991.	European Insurance CFO Forum	3.332.	The CFO Forum supports the points made in this paragraph.	Noted.
1.992.	Association of British Insurers	3.333.	This response covers paragraphs 3.33 to 3.343. We agree that regulators need to be provided with sufficient information to obtain a full understanding of the business.	Noted.
1.993.	Pearl Group Limited	3.333.	This response covers paragraphs 3.33 to 3.343. We agree that regulators need to be provided with sufficient information to obtain a full understanding of the business.	See comment 1.992

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1.994.	CEA, ECO-SLV- 09-453	3.334.	Reference should be made also to Article 261 to take into account the fit and proper requirements for insurance holding companies.  We propose the following redrafting: "... Article 42 and Article 261 are fit and proper."	Noted
1.995.	German Insurance Association – Gesamtverb and der D	3.334.	Reference should be made also to Article 261 to take into account the fit and proper requirements for insurance holding companies.  We propose the following redrafting: "... Article 42 and Article 261 are fit and proper."	See comment 1.995
1.996.			Confidential comment deleted	
1.997.	CRO Forum	3.336.	We would ask for further clarification of the ORSA is and its relation to Group strategy.	This may be addressed at Level 3
1.998.	European Insurance CFO Forum	3.336.	The CFO Forum request further clarification around the definition of the ORSA.  Request for further clarification as to what is the formal definition of the ORSA is and its relation to Group strategy.	See comment 1.997
1.999.	ROAM (Réunion des Organismes d'Assurance Mutue	3.336.	ROAM would appreciate a clarification about the ORSA.  Will the reporting on the ORSA be published only in the SFCR and RTS or will there need to be a supplementary report?	See comment 1.946
2.000.	ROAM (Réunion des Organismes d'Assurance	3.339.	ROAM wonders about the role of the internal control regarding remuneration policy which depends on organs of management.	This is covered in the SFCR under General Governance

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	Mutue			
2.001.	Institut des actuaires (France)	3.341.	The information required under this paragraph should be covered in the report prepared by the actuarial function. Institut des Actuaires recommends to make clear whether or not this requirement could or should be met by providing a copy of the actuarial report to the supervisor.	See comment to 1.982.
2.002.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.344.	It is not clear how ALM risk is distinguished from market and underwriting risk.	See comment 2.004
2.003.			Confidential comment deleted	
2.004.	Belgian Coordination Group Solvency II (Assuralia/	3.344.	Question: Why is ALM risk separated from underwriting and market risks?	Noted. See revised paragraph
2.005.	CEA, ECO-SLV-09-453	3.344.	We see no reasoning behind the separate categorisation of ALM risk in section C6. It is not clear how this is distinguished from market and underwriting risk. We would like "C.6: ALM risks" to be deleted.	See comment to 2.004.
2.006.	CRO Forum	3.344.	We would ask for justification for making ALM risk a separate risk category in section C6. It is not clear how this is distinguished from market and underwriting risk. Nevertheless we agree that risk in relation to ALM should be managed and reported.	See comment to 2.004.
2.007.	ECIROA	3.344.	Captives can provide a description for each category of risk. Principle of proportionality to apply.	Noted.

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2.008.	European Insurance CFO Forum	3.344.	Comments in 3.142 are also relevant here.	Noted
2.009.				
2.010.	Munich RE	3.344.	We do not understand the distinction between market and ALM risk (C6). The term “sensitivity” seems well-defined for market and credit risk. However, there is no canonical definition in the case of insurance and especially P&C risks. In addition, sensitivity analyses do not make sense in the case of liquidity and operational risk if the definition from market risk is applied.	See comment to 2.004.
2.011.	PricewaterhouseCoopers LLP	3.344.	See comments on paragraph 3.142 regarding the reporting of risk exposure, concentration, mitigation and sensitivity which apply equally to the RTS.	See comment to.898
2.012.	KPMG ELLP	3.345.	The link should be made clearer between risks and risk management disclosures in this section of the RTS and disclosure of how these have been considered in the ORSA (paragraph 3.3.25) and any internal model used for the purposes of the SCR calculation (paragraphs 3.3.80 – 3.3.87). This is briefly mentioned in paragraph 3.348 with respect to off balance sheet transactions, however there should be an overall requirement with respect to all risks.	Noted. This may be addressed at Level 3
2.013.	European Union member firms of Deloitte Touche To	3.348.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment in 1.866
2.014.	European Union member firms of Deloitte	3.350.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment in 1.866

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	Touche To			
2.015.	Institut des actuaires (France)	3.350.	<p>Information on the gross operational loss amount suffered by undertakings and the number of operational loss events may be difficult to interpret (the former depends on the aggregation process, the latter depends closely on how the undertaking classifies data on operational loss events and both depend on the boundary between operational losses and other types of losses, e.g. technical losses).</p> <p>Information in the RTS should therefore be limited to how the undertaking monitors, classifies and collects data on operational loss events and details of material operational losses (as compared to own funds).</p>	<p>CEIOPS disagrees</p> <p>Highlevel information like these are more likely to be part of the SFCR than the RTS.</p>
2.016.	Lloyd's	3.350.	Operational losses/loss amounts reporting will be inherently difficult to achieve on a useful and consistent basis. Significant extra guidance will be required.	CEIOPS disagrees.
2.017.	Munich RE	3.350.	No systematic collection of granular data relating to operational risk should be required.	CEIOPS disagrees.
2.018.	Association of British Insurers	3.356.	<p>This response covers paragraphs 3.356 to 3.361. We agree that regulators need to be provided with sufficient information to obtain a full understanding of the risks facing the business.</p> <p>As noted elsewhere in our response we believe that the present proposal for risk categorisation is too detailed.</p>	CEIOPS disagrees.
2.019.	CEA, ECO-SLV-09-453	3.356.	We believe that the present proposal for risk categorisation is too detailed.	CEIOPS disagrees.
2.020.	German Insurance Association – Gesamtverb and der D	3.356.	We believe that the present proposal for risk categorisation is too detailed.	See comment 2.020.



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2.021.	Pearl Group Limited	3.356.	<p>This response covers paragraphs 3.356 to 3.361. We agree that regulators need to be provided with sufficient information to obtain a full understanding of the risks facing the business.</p> <p>As noted elsewhere in our response we believe that the present proposal for risk categorisation is too detailed.</p>	See comment 2.018.
2.022.	ROAM (Réunion des Organismes d'Assurance Mutue	3.356.	ROAM suggests to insert points C8 to C11 into the individual risks C1 to C7	Noted. See revised paragraphs
2.023.	Association of British Insurers	3.364.	We agree that regulators need to be provided with sufficient information to understand the financial situation of a firm. However, as noted in our response to paragraphs 3.165 to 3.175 we believe that regulatory information should not repeat information in the report and accounts but should focus on those areas where there are differences between regulatory and accounting requirements.	As the RTS is the essential document for the supervisor all relevant information must be included in the RTS.
2.024.	CEA, ECO-SLV-09-453	3.364.	We agree that regulators need to be provided with sufficient information to understand the financial situation of a firm. However, as noted in our response to paragraphs 3.165 to 3.175 we believe that regulatory information should not repeat information in the report and accounts but should focus on those areas where there are differences between regulatory and accounting requirements.	See comment to 2.023.
2.025.	German Insurance Association – Gesamtverb and der D	3.364.	We agree that regulators need to be provided with sufficient information to understand the financial situation of a firm. However, as noted in our response to paragraphs 3.165 to 3.175 we believe that regulatory information should not repeat information in the report and accounts but should focus on those areas where there are differences between regulatory and accounting requirements.	See comment to 2.023.

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2.026.	Pearl Group Limited	3.364.	We agree that regulators need to be provided with sufficient information to understand the financial situation of a firm. However, as noted in our response to paragraphs 3.165 to 3.175 we believe that regulatory information should not repeat information in the report and accounts but should focus on those areas where there are differences between regulatory and accounting requirements.	See comment to 2.023.
2.027.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.366.	We agree with the proposal to forecast own funds “over a suitable business planning period” provided the undertaking is free to decide that period for themselves.	See comment 2.029.
2.028.			Confidential comment deleted	
2.029.	CEA, ECO-SLV-09-453	3.366.	We agree with the proposal to forecast own funds “over a suitable business planning period” provided the undertaking is free to decide that period for themselves.	Agreed. But minimum time period shall be three years.
2.030.	CRO Forum	3.366.	Also applies to 3.420 We agree with the proposal to forecast and stress test own funds over the business planning period determined by the undertaking.	See comment to 2.029.
2.031.	ECIROA	3.366.	Captives can provide information on their own funds. Principle of proportionality to apply.	Noted.
2.032.	European Insurance CFO Forum	3.366.	The CFO Forum supports the stress testing of own funds over the business planning period determined by the undertaking.	See comment to 2.029.
2.033.	KPMG ELLP	3.366.	See 3.301	

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2.034.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.367.	We agree with the proposal to forecast MCR and SCR “over a suitable business planning period” provided the undertaking is free to decide that period for themselves.	See comment to 2.029.
2.035.			Confidential comment deleted	
2.036.	CEA, ECO-SLV-09-453	3.367.	We agree with the proposal to forecast MCR and SCR “over a suitable business planning period” provided the undertaking is free to decide that period for themselves.	See comment to 2.029.
2.037.	CRO Forum	3.367.	Also applies to 3.421 We agree with the proposal to forecast MCR and SCR over the business planning period determined by the undertaking.	See comment to 2.029.
2.038.	European Insurance CFO Forum	3.367.	The CFO Forum supports the forecasting of SCR and MCR over the business planning period determined by the undertaking.	See comment to 2.029.
2.039.	European Union member firms of Deloitte Touche To	3.367.	The explanatory notes are referred to as required but do not appear in the draft Level 2 advice, either in their entirety or not to the same level of detail. We recommend that they be included in the Level 2 advice	See comment 1.866
2.040.	KPMG ELLP	3.367.	See 3.301	See comment 1.858
2.041.	Federation of European Accountants (FEE)	3.369.	We note the proposal that the SCR calculated information according to the standard formula would be within the scope of the audit. However, when (partial) internal models are used, the information according to the standard formula is only to be provided at the specific request of the supervisor	Noted. This may be addressed at Level 3

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			<p>(paragraph 3.369 of the Paper). This would mean that only undertakings that apply the standard model and are submitting this at the request of the supervisor would have their SCR under the scope of the audit. We recommend that the requirement for the audit of modelled SCR requirements be given further consideration. If the eventual decision would be that the SCR is within the scope of the audit in all situations, we note that there will need to be considerable education of users regarding the role of supervisors in approving internal models, the relation with the undertaking's internal control and risk management on the financial reporting framework and the work carried out by the auditor. Care should be taken in defining the information that specifically supports the model assumptions.</p> <p>We propose that further discussions take place to identify the potential benefits to both regulators and other users of auditor involvement in the assurance over the SCR. Guidance on appropriate procedures for auditors might beneficially be developed timely with the development of Level 2 and 3 requirements. We would like to discuss the necessary procedures and steps with you directly.</p>	
2.042.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.370.	<p>Requiring the calculation of the differences between the standard formula and the internal model is not appropriate and goes beyond the Level 1 text</p> <p>An internal model is endorsed by the supervisors, is benchmarked within the ORSA process and is disclosed. Therefore there is no need for an indefinite possibility to estimate the SCR by means of the Standard formula. This will provide an additional unnecessary burden for those insurers willing to use an internal model and will dissuade insurers from developing internal models.</p>	See comment 2.042
2.043.	CEA, ECO-SLV-09-453	3.370.	<p>Requiring the calculation of the differences between the standard formula and the internal model is not appropriate and goes beyond the Level 1 text.</p> <p>An internal model is endorsed by the supervisors, is benchmarked within the ORSA process and is disclosed. Therefore there is no need for an indefinite possibility to estimate the SCR by means of the Standard formula. This will provide an additional unnecessary burden for those insurers willing to use an</p>	CEIOPS disagrees

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			internal model and will disicentive insurers from developing internal models.	
2.044.	CRO Forum	3.370.	<p>Also applies to 3.423</p> <p>We would point out that the stated requirement for an indefinite possibility to estimate the SCR by means of the Standard formula goes against the level I directive that limits such comparisons to a period of two years starting from Nov 2012. A provision for supervisory authority to retain the right to indefinitely request SCR calculated on standard formula would prove burdensome for undertakings using an internal model and would disincentivise insurers from developing internal models.</p>	See comment 2.043
2.045.	German Insurance Association – Gesamtverb and der D	3.370.	<p>Requiring the calculation of the differences between the standard formula and the internal model is not appropriate and goes beyond the Level 1 text</p> <p>An internal model is endorsed by the supervisors, is benchmarked within the ORSA process and is disclosed. Therefore there is no need for an indefinite possibility to estimate the SCR by means of the Standard formula. This will provide an additional unnecessary burden for those insurers willing to use an internal model and will disicentive insurers from developing internal models.</p>	See comment 2.043.
2.046.	Lloyd's	3.370.	We do not consider that calculation of the differences between the standard formula and the internal model should be required beyond the first two years after internal model approval has been achieved. This internal model in this case would have been approved by the supervisor as allowing the SCR to be calculated in a manner which best fits the (re) insurer's risk profile and the comparison with the standard formula SCR is not appropriate and represents an unnecessary burden.	See comment 2.043
2.047.	AAS BALTA	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	Noted. But the undertaking's plan needs to be considered in the light of potential stresses on own funds etc

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2.048.	AB Lietuvos draudimas	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.049.	DENMARK: Codan Forsikring A/S (10529638)	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.050.	Link4 Towarzystwo Ubezpieczeń SA	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.051.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.052.	RSA Insurance Group PLC	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.053.	RSA Insurance Ireland Ltd	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.

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2.054.	RSA - Sun Insurance Office Ltd.	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.055.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.372.	It is not clear that where a plan is in place to ensure compliance how future non-compliance can be anticipated. It would be better if disclosure was limited to anticipated non-compliance, using reasonable assumptions, where there is no mitigating plan in place to avoid unnecessary disclosure particularly when arising from stress testing.	See comment to 2.047.
2.056.				
2.057.	Association of British Insurers	3.374.	This response covers paragraphs 3.374 to 3.379. We agree that regulators need to be provided with sufficient information to understand the capital position of a firm. In our view this is an area where much of the detailed information should be limited to the RTS.	Agreed.
2.058.	CEA, ECO-SLV-09-453	3.374.	Compliance with capital requirements is set out in the Level I text. Therefore we would ask Ceiops to delete the following: "The undertaking must meet its capital requirements at all times. A group must meet its SCR at all times."  This response covers paragraphs 3.374 to 3.379. We agree that regulators need to be provided with sufficient information to understand the capital position of a firm. In our view this is an area where much of the detailed information should be limited to the RTS.	Noted. See revised paragraph.  Agreed.
2.059.	German Insurance Association – Gesamtverb and der D	3.374.	Compliance with capital requirements is set out in the Level I text. Therefore we would ask CEIOPS to delete the following: "The undertaking must meet its capital requirements at all times. A group must meet its SCR at all times."  This response covers paragraphs 3.374 to 3.379. We agree that regulators	See comment to 2.058.

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			need to be provided with sufficient information to understand the capital position of a firm. In our view this is an area where much of the detailed information should be limited to the RTS.	
2.060.	Pearl Group Limited	3.374.	This response covers paragraphs 3.374 to 3.379. We agree that regulators need to be provided with sufficient information to understand the capital position of a firm. In our view this is an area where much of the detailed information should be limited to the RTS.	See comment to 2.058.
2.061.	CEA, ECO-SLV-09-453	3.377.	The legal basis for such a request in the Level I text should be mentioned. We therefore propose the following redrafting: "if this has been asked for by the supervisor according to Art. 110 (7)."	Noted.
2.062.	German Insurance Association – Gesamtverb and der D	3.377.	The legal basis for such a request in the Level I text should be mentioned. We therefore propose the following redrafting: "if this has been asked for by the supervisor according Art. 110 (7)."	See comment to 2.061.
2.063.	CEA, ECO-SLV-09-453	3.378.	"In the future" should be replaced by "in the next forthcoming three months".	Time period depends on the length of the recovery period as laid out in the recovery plan of the undertaking.
2.064.	German Insurance Association – Gesamtverb and der D	3.378.	"In the future" should be replaced by "in the next forthcoming three months".	Noted. See revised paragraph.
2.065.	AAS BALTA	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	The RTS is a private document to the supervisor.



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2.066.	AB Lietuvos draudimas	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.067.	DENMARK: Codan Forsikring A/S (10529638)	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.068.	Dutch Actuarial Society – Actuarieel Genootschap (	3.380.	<p>The reporting seems to focus on the use test without the other required tests being mentioned that need to be fulfilled for internal use modelling. Should companies not disclose to the supervisors how they meet the other tests ? (also relates to 3.398b)</p> <p>Bullets b, f and l seem to relate to requirements that should also be met under the standard model. However, specifically mentioning these under internal models implies that not to be the case. (also relates to 3.426b,f,i)</p>	Noted
2.069.	KPMG ELLP	3.380.	The comments in 3.207 apply equally here.	See comment 1.281
2.070.	Link4 Towarzystwo Ubezpieczeń SA	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.071.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.072.	RSA Insurance	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065

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	Group PLC			
2.073.	RSA Insurance Ireland Ltd	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.074.	RSA - Sun Insurance Office Ltd.	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.075.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.380.	h) The allocation method for economic capital is commercially very sensitive. Thus would not want to publish this.	See comment 2.065
2.076.	AAS BALTA	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	Noted
2.077.	AB Lietuvos draudimas	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076
2.078.			Confidential comment deleted	
2.079.	CEA, ECO-SLV-09-453	3.383.	Point c): We would request clarification of the term “undiversified capital charges” under (c) in this context.	Capital charge before diversification effects (aggregation)
2.080.	CRO Forum	3.383.	Also applies to 3.428 We would request clarification of the term “undiversified capital charges” under section (c).	See comment 2.079
2.081.	DENMARK: Codan Forsikring A/S (10529638)	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076

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2.082.	European Insurance CFO Forum	3.383.	The CFO Forum notes that the term “undiversified capital charges” under section c) is undefined. We recommend that the level 2 implementing measures are updated to include further clarity as to what falls under this definition.	See comment 2.079
2.083.	Link4 Towarzystwo Ubezpieczeń SA	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076.
2.084.	Munich RE	3.383.	Munich Re requests clarification of the term “undiversified capital charges” under (c) in this context.	See comment 2.079
2.085.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076
2.086.	RSA Insurance Group PLC	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076
2.087.	RSA Insurance Ireland Ltd	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076
2.088.	RSA - Sun Insurance Office Ltd.	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076
2.089.	SWEDEN: Trygg-Hansa Försäkrings	3.383.	b) Would not want to continually estimate the SCR according to the standard formula. This is one of the key points to having an internal model.	See comment 2.076

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	AB (516401-7799)			
2.090.	CEA, ECO-SLV-09-453	3.384.	We do not agree with the proposal that the level of detail provided for the SCR results should be “the lowest level at which the model is used” (assuming that this would imply e.g. the level to which capital costs are broken down).	Noted
2.091.	CRO Forum	3.384.	Also applies to 3.428  We do not agree with the proposal that the level of detail provided for the SCR results should be “the lowest level at which the model is used” (assuming that this would imply eg the level to which capital costs are broken down).  SCR assessments are only meaningful at a level of aggregation consistent with the design and parameterisation of the model. Capital allocation to a more detailed level is useful for certain purposes, e.g. pricing, but is exposed to increased model error and variability that is not present in the regulatory or economic capital assessment.	See comment 2.090
2.092.	European Insurance CFO Forum	3.384.	The CFO Forum does not agree with the proposal that the SCR results should be provided at “the lowest level at which the model is used”.  SCR assessments are only meaningful at a level of aggregation consistent with the design and parameterisation of the model. Capital allocation to a more detailed level is useful for certain purposes, e.g. pricing, but is exposed to increased model error and variability that is not present in the regulatory or economic capital assessment.	See comment 2.090
2.093.	Institut des actuaires (France)	3.384.	The paragraph refers to the grouping classes “modules/sub-modules/risks”. Please clarify the third level (we understand the module as being for example market risk and the sub-module as being for example interest risk).	See comment 2.090
2.094.	Munich RE	3.384.	We do not agree with the requirement that “[G]roup internal models should provided [sic] results on a legal entity level”. Similarly to the default method for the standard formula (accounting-consolidation method), group internal	Noted

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			models may not be built up from legal entity models for all subsidiaries but rather be based on (possibly only partially) consolidated data.  SCR assessments are only meaningful at a level of aggregation consistent with the design of and parameters in of the model.	
2.095.	Association of British Insurers	3.389.	This response covers our general comments on paragraphs 3.389 to 3.428. While we accept that the regulator needs sufficient information in the RTS to understand the insurance entity's business it is not clear from the advice how the information provided in the RTS will differ from that proposed in the SFCR. In our view this is largely because the current proposals for the SFCR will require firms to provide too much detailed information and this issue is, therefore, best addressed by requiring only a higher level of information in the SFCR with much of the detail reserved for the RTS.	See comment 1.842
2.096.	Just Retirement Limited	3.389.	Supervisory disclosure helps enhancing the effectiveness of supervision and fostering a level playing field.  However, no reporting should be required if the information is not going to be analysed by the supervisors. All information should have a clear use when sent to the supervisor and/or disclosed and any changes to the requirements should be subject to appropriate cost-benefit analysis. We believe the current proposals go considerably beyond this requirement (e.g. the level of risk exposures and how these may develop over the next few years). Much of this data should only be delivered upon request in relation to supervisory inspections, in the ORSA or by exception or following material changes. In addition, much of this information could be moved into reports prepared at the moment supervisors ask for them, into the ORSA or into reports which follow a significant change of policies, roles and responsibilities and so on.  Information already reported to the supervisors through the ORSA process should not be required again as part of its reporting requirements.	Noted
2.097.	Pearl Group Limited	3.389.	This response covers our general comments on paragraphs 3.389 to 3.428. While we accept that the regulator needs sufficient information in the RTS to understand the insurance entity's business it is not clear from the advice how the information provided in the RTS will differ from that proposed in the SFCR. In our view this is largely because the current proposals for the SFCR	See comment No 2.095

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			will require firms to provide too much detailed information and this issue is, therefore, best addressed by requiring only a higher level of information in the SFCR with much of the detail reserved for the RTS.	
2.098.	XL Capital Ltd	3.389.	See comment on para 3.298	See comment 1.842
2.099.	Association of British Insurers	3.390.	As noted earlier in our response we do not believe that there should be unnecessary duplication of information between the RTS/SFCR and other reporting documents such as the annual report and accounts.	Noted, but this is a consequence of the RTS being a stand-alone document
2.100.	CEA, ECO-SLV-09-453	3.390.	As noted earlier in our response we do not believe that there should be unnecessary duplication of information between the RTS/SFCR and other reporting documents such as the annual report and accounts.	See comment No 2.099
2.101.	Dexia	3.390.	We do not support the principle of "stand alone document". When information is present somewhere else and available for regulators, it should not be ask another time. It just leads to duplication of work for entities, i.e. additional burdens and costs.	See comment No 2.098
2.102.	German Insurance Association – Gesamtverb and der D	3.390.	As noted earlier in our response we do not believe that there should be unnecessary duplication of information between the RTS/SFCR and other reporting documents such as the annual report and accounts.	See comment No 2.099
2.103.	Groupe Consultatif	3.390.	As we have noted earlier, if the supervisor is to consider the independent integrity of the report and accounts and SFCR and to review the same information within the RTS, some information will be reviewed twice, and some three times. A complementary structure with requirements as to cross-referencing is likely to be less of a burden for all concerned.	See comment No 2.098
2.104.	Lloyd's	3.390.	We note that a lot of the information required in the SFCR is also required in the RTS. As the supervisor will have access to both, it would appear to be more efficient to simply report this information in the SFCR only.	See comment No 2.098

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2.105.	Pearl Group Limited	3.390.	As noted earlier in our response we do not believe that there should be unnecessary duplication of information between the RTS/SFCR and other reporting documents such as the annual report and accounts. Also, we think that having this as one-stand alone document isn't practical.	See comment No 2.099
2.106.	XL Capital Ltd	3.390.	See comment on para 3.298	See comment No 2.098
2.107.	KPMG ELLP	3.391.	The RTS requires a significant amount of additional information over and above that contained in the SFCR. See General Comments re stand alone documents.  In paragraph 3.86 the SFCR includes an additional paragraph heading 'B.10 Reporting at group level'. It is not clear to us why this heading is not included in the RTS.	Noted. See revised paragraph.
2.108.	XL Capital Ltd	3.391.	See comment on para 3.298	See comment No 2.098
2.109.	XL Capital Ltd	3.392.	See comment on para 3.298	See comment No 2.098
2.110.	Association of British Insurers	3.393.	The provision of data for item (b) is likely to be onerous – particularly within the proposed timeframes.	Noted
2.111.			Confidential comment deleted	
2.112.	CEA, ECO-SLV-09-453	3.393.	We would point out that the proposed requirement under (b) for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide.	See comment No. 2.110
2.113.	CRO Forum	3.393.	We would point out that the proposed requirement under (b) for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide. Moreover the	See comment No. 2.110

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			principle of materiality should be taken into account.	
2.114.	European Insurance CFO Forum	3.393.	The CFO Forum believes that the provision of proposed data under section b) may be onerous to provide.	See comment No. 2.110
2.115.	German Insurance Association – Gesamtverb and der D	3.393.	We would point out that the proposed requirement under (b) for “a description of activities and sources of profits or losses by legal entities across the group their subsidiaries, whether these are insurance undertakings or not, and regulated entities or not” might be cumbersome to provide.	See comment No. 2.110
2.116.	Legal & General Group	3.393.	The provision of data (b) is likely to be onerous	See comment No. 2.110
2.117.	Munich RE	3.393.	MR would point out that meeting the proposed requirement under (b) might be onerous.	See comment No. 2.110
2.118.	PricewaterhouseCoopers LLP	3.393.	We note that this requirement may be subject to wide interpretation by undertakings leading to a lack of comparability. CEIOPS may be able to provide an indication of the type of information required as part of an example SFCR (see our comments on paragraph 3.86).	Noted. This may be addressed at Level 3
2.119.	UNESPA – Association of Spanish Insurers and Reins	3.393.	An analysis of trends, profit or losses sources and possible future regulatory impacts, are required, giving subjectivity to the report, by the amount of hypothesis that should be made to comply with these requirements.	Noted
2.120.	XL Capital Ltd	3.393.	See comment on para 3.298	See comment No 2.098
2.121.	ROAM (Réunion des	3.394.	ROAM wishes to draw the attention on the necessity of protecting the confidentiality of certain information which has absolutely to remain within the undertaking.	Noted



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	Organismes d'Assurance Mutue			
2.122.	XL Capital Ltd	3.394.	See comment on para 3.298	See comment No 2.098
2.123.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.395.	We had understood that the ORSA must be taken into account to define group's strategy. We would like to have more details on the ORSA.	See comment 2.124
2.124.	CEA, ECO-SLV-09-453	3.395.	We had understood that the ORSA must be taken into account to define group's strategy.	The ORSA may be subject to separate Level 3 advice – it is out of scope of this Advice
2.125.	European Union member firms of Deloitte Touche To	3.395.	Duplication; “for undertakings belonging to a group, the description shall include how the ORSA takes into account the group's strategy” and 3.404 (e) also states “for undertakings belonging to a group, how the ORSA takes into account the group's strategy”. We consider that the former should be deleted.	Noted
2.126.	German Insurance Association – Gesamtverband der D	3.395.	We had understood that the ORSA must be taken into account to define group's strategy. We would like to have more details on the ORSA.	See comment No.2.124
2.127.	Legal & General Group	3.395.	This acceptable if it can be done at a “high level”	Noted

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2.128.	XL Capital Ltd	3.395.	See comment on para 3.298		See comment No 2.098
2.129.	Association of British Insurers	3.396.	This should only apply to material subsidiaries.		Noted
2.130.			Confidential comment deleted		
2.131.	CEA, ECO-SLV-09-453	3.396.	We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.		Noted
2.132.	CRO Forum	3.396.	We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.		See comment No. 2.131
2.133.	European Insurance CFO Forum	3.396.	The CFO Forum is only able to provide information relating to the strategic role of each subsidiary at a generic level.		See comment No. 2.131
2.134.	German Insurance Association – Gesamtverb and der D	3.396.	We consider that the proposed information on the strategic role of each subsidiary could only be provided at a generic level.		See comment No. 2.131
2.135.	Legal & General Group	3.396.	This would only be do-able at a high level and covering only material subsidiaries rather than at a detailed firm level.		See comment No. 2.131
2.136.	Munich RE	3.396.	Due to local legal requirements, international insurance groups often have small subsidiaries with minor/no relevance for the group strategy.  The proposed information on the strategic role of each subsidiary could only be provided at a generic level. Change text: For groups shall provide a description detailing the objectives		See comment No. 2.131

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			and strategies of the group which shall include information on the group strategy and the role of each subsidiary the major subsidiaries within that strategy.	
2.137.	XL Capital Ltd	3.396.	See comment on para 3.298	See comment No 2.098
2.138.	CEA, ECO-SLV-09-453	3.397.	See comment to 3.305.	See comment 1.880
2.139.	European Insurance CFO Forum	3.397.	Comments in 3.305 are also relevant here.	See comment 1.880
2.140.	German Insurance Association – Gesamtverb and der D	3.397.	See comment to 3.305.	See comment 3.136
2.141.	Legal & General Group	3.397.	This appears very onerous unless the description is at a high level	It requests a description rather than details.
2.142.	Munich RE	3.397.	The requirement to provide information under section b) on underwriting performance by line of business relative to business plan is not relevant.  Any requirements should be on an aggregated level and be aligned with secondary-level segmental reporting rules. Breaking underwriting performance down by geographical area should be based on management reporting segmentation.	Not agreed
2.143.	PricewaterhouseCoopers LLP	3.397.	Further guidance could be provided on where comparatives are required, and any transitional arrangements in year one. This comment applies to all requirements for reporting of financial performance.	Noted, this may be addressed at Level 3

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			<p>Further guidance could be provided on the basis on which financial information is to be provided. 'Management body's discussion and analysis' implies that management accounting information is appropriate, which would align the reporting information with the way that management manage the business. This comment applies to all requirements for reporting of financial performance.</p> <p>Examples of the level of information required beyond what is provided in the SFCR (paragraph 3.105) could be usefully provided in an example SFCR at Level 3 (see our comments on paragraph 3.86).</p>	
2.144.	UNESPA – Association of Spanish Insurers and Reins	3.397.	Regarding the administrative or management body's discussion and analysis of the undertaking or the group's overall underwriting and investment performance, carried out by senior management, it is not clear what is expected in the RTS, in addition to the aspects included in the SFCR.	This may be addressed at Level 3
2.145.	XL Capital Ltd	3.397.	See comment on para 3.298	See comment No 2.098
2.146.	CEA, ECO-SLV-09-453	3.398.	See comment to 3.305.	See comment 1.880
2.147.	CRO Forum	3.398.	We consider that the proposed requirement to provide "details on investment expenses incurred over the year compared to expectations of future years" only to be feasible in broad percentage terms.	Noted
2.148.	European Insurance CFO Forum	3.398.	Comments in 3.306 are also relevant here.	See comment 1.894
2.149.	German Insurance Association –	3.398.	See comment to 3.305.	See comment 1.880

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	Gesamtverb and der D			
2.150.	Legal & General Group	3.398.	The same as 3.297	Noted
2.151.	Pricewaterho useCoopers LLP	3.398.	Examples of the level of information required beyond what is provided in the SFCR (paragraph 3.106) could be usefully provided in an example SFCR at Level 3 (see our comments on paragraph 3.86)	See comment No. 2.143
2.152.	UNESPA – Association of Spanish Insurers and Reins	3.398.	Regarding the administrative or management body's discussion and analysis of investment performance by segment (e.g. by fund, type of asset), it is not clear what is expected in the RTS, in addition to the aspects included in the SFCR.	See comment No. 2.143
2.153.	XL Capital Ltd	3.398.	See comment on para 3.298	See comment No 2.098
2.154.	Legal & General Group	3.399.	This section is very vague and may be better addressed via an expense stress test. It is likely to be more relevant for unit linked business where operational risk is the key risk.	Noted
2.155.	XL Capital Ltd	3.399.	See comment on para 3.298	See comment No 2.098
2.156.	XL Capital Ltd	3.400.	See comment on para 3.298	See comment No 2.098
2.157.	XL Capital Ltd	3.401.	See comment on para 3.298	See comment No 2.098
2.158.	XL Capital Ltd	3.402.	See comment on para 3.298	See comment No 2.098
2.159.	KPMG ELLP	3.403.	See 3.323	Noted

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2.160.	Legal & General Group	3.403.	See the response to 3.298	See comment No 2.098
2.161.	XL Capital Ltd	3.403.	See comment on para 3.298	See comment No 2.098
2.162.	KPMG ELLP	3.404.	See 3.325	See comment 1.952
2.163.	PricewaterhouseCoopers LLP	3.404.	See our comments on paragraph 3.325.	See comment 1.956
2.164.	ROAM (Réunion des Organismes d'Assurance Mutue	3.404.	ROAM considers it does not yet have enough information to properly understand the tool "ORSA".	Noted this may be addressed at Level 3 but is out of scope of this Advice
2.165.	UNESPA – Association of Spanish Insurers and Reins	3.404.	Duplicity exists in the level of detail required in the RTS and the ORSA reporting (result from the ORSA process, description of how information is included, etc.)	The ORSA is not reported as a separate document to the supervisor
2.166.	XL Capital Ltd	3.404.	See comment on para 3.298	See comment No 2.098
2.167.	KPMG ELLP	3.405.	See 3.326	See comment No. 2.159
2.168.	XL Capital Ltd	3.405.	See comment on para 3.298	See comment No 2.098
2.169.	KPMG ELLP	3.406.	See 3.3.28	Noted
2.170.	Legal & General	3.406.	This would form part of a normal arrow visit (in the UK)	Noted, but this will in future reflect Solvency II requirements

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	Group			
2.171.	UNESPA – Association of Spanish Insurers and Reins	3.406.	Future audit plans will be subject to annual assessments, due to this issue, the information disclosed to the Supervisor within the RTS could bear changes through time, and therefore flexibility in this aspect should be promoted.	Noted
2.172.	XL Capital Ltd	3.406.	See comment on para 3.298	See comment No 2.098
2.173.	Groupe Consultatif	3.407.	We suggest that there is an opportunity to require transmission of (a summary of) the report of the actuarial function to the administrative or management body in relation to the activities required of it under Article 47 ((a) – (h)) of the Level 1 text.	Noted
2.174.	KPMG ELLP	3.407.	See 3.3.28	See comment 1.974
2.175.	XL Capital Ltd	3.407.	See comment on para 3.298	See comment No 2.098
2.176.	CEA, ECO-SLV-09-453	3.408.	Reporting requirements on outsourcing to the supervisory authority is already a directive requirement. There is no need for double reporting requirements under Solvency II.	Noted, but this is wider and covers evidence of oversight in the period, for example
2.177.	Danish Insurance Association	3.408.	Reporting requirements on outsourcing to the supervisory authority is already a directive requirement. There is no need for double reporting requirements under Solvency II. (also relates to 3.330 and 3.331)	See comment No. 2.176
2.178.	German Insurance Association – Gesamtverb and der D	3.408.	Reporting requirements on outsourcing to the supervisory authority is already a directive requirement. There is no need for double reporting requirements under Solvency II.	See comment No. 2.176
2.179.	KPMG ELLP	3.408.	See 3.3.28 It is important to consider outsourcing arrangements to related	See comment No. 2.176

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			and third party companies separately, as the risks are generally different	
2.180.	Legal & General Group	3.408.	This should include internal “outsourcing” in order to capture the intra group risk	See comment No.2.174
2.181.	PricewaterhouseCoopers LLP	3.408.	Undertakings are required to inform the supervisor in advance of outsourcing of any critical or important functions under article 48(3) of the level 1 directive. We therefore question the incremental benefit of disclosing this information a second time in the RTS.	See comment No. 2.176
2.182.	UNESPA – Association of Spanish Insurers and Reins	3.408.	Reporting requirements on outsourcing to the supervisory authority is already a Directive requirement. There is no need for double reporting requirements under Solvency II.	See comment No. 2.176
2.183.	XL Capital Ltd	3.408.	See comment on para 3.298	See comment No 2.098
2.184.	Legal & General Group	3.409.	See 3.297- the disclosures should be covered under the broader headings of “material risk and captured in 3.411 in the text.	Noted
2.185.	XL Capital Ltd	3.409.	See comment on para 3.298	See comment No 2.098
2.186.	KPMG ELLP	3.410.	See 3.3.45	Noted
2.187.	Munich RE	3.410.	The term “sensitivity” seems well-defined for market and credit risk. However, there is no canonical definition in the case of insurance and especially P&C risks. In addition, sensitivity analyses do not make sense in the case of liquidity and operational risk if the definition from market risk is applied.	Noted
2.188.	XL Capital Ltd	3.410.	See comment on para 3.298	See comment 1.842
2.189.	KPMG ELLP	3.411.	The equivalent paragraph to paragraph 3.348 with respect to off balance sheet transactions is missing from this section.	Not all white text is included as



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				Advice.
2.190.	Munich RE	3.411.	Change text: Details Overview on how the administrative or management body expects material risk exposures to further develop over the coming few years (including the process for identifying emerging risks) given the undertaking's business strategy, and how they are being/will be managed.	Noted. See revised paragraphs
2.191.	UNESPA – Association of Spanish Insurers and Reins	3.411.	The requirement to report all future risks, entails hypotheses definition and a level of analysis, which exceeds the capabilities of many undertakings.	Noted, but materiality applies
2.192.	XL Capital Ltd	3.411.	See comment on para 3.298	See comment No 2.098
2.193.	XL Capital Ltd	3.412.	See comment on para 3.298	See comment No 2.098
2.194.	XL Capital Ltd	3.413.	See comment on para 3.298	See comment No 2.098
2.195.	XL Capital Ltd	3.414.	See comment on para 3.298	See comment No 2.098
2.196.	Munich RE	3.415.	It is hard and sometimes impossible to foresee the future risk mitigation needs in detail. Delete 3.415.	Noted. See revised paragraphs
2.197.	XL Capital Ltd	3.415.	See comment on para 3.298	See comment No 2.098
2.198.	XL Capital Ltd	3.416.	See comment on para 3.298	See comment No 2.098
2.199.	XL Capital Ltd	3.417.	See comment on para 3.298	See comment No 2.098

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2.200.	Groupe Consultatif	3.418.	See comment under 3.407 above. Since the actuarial function is required to perform these tasks, it would be natural for (a summary of) its report to form part of the RTS.	Noted
2.201.	XL Capital Ltd	3.418.	See comment on para 3.298	See comment No 2.098
2.202.	XL Capital Ltd	3.419.	See comment on para 3.298	See comment No 2.098
2.203.	CRO Forum	3.420.	See 3.366	Noted
2.204.	KPMG ELLP	3.420.	See 3.301	Noted
2.205.	PricewaterhouseCoopers LLP	3.420.	We note that undertakings' interpretations of the business planning period and stresses to apply to comply with point b may be wide, resulting in a lack of comparability between undertakings and potentially a lack of adequate stressing. While we would not consider it appropriate to define the stresses and business planning period to be used at Level 2 (which would then be unable to be adjusted to respond to economic and market conditions), it would be beneficial for supervisors to be able to specify variables to be applied by undertakings.	Noted
2.206.	UNESPA – Association of Spanish Insurers and Reins	3.420.	There should be a template, variables to stress and a time period previously defined, in order to promote comparability in the own fund forecast, as it was accomplished in Pillar II in the banking sector.	Noted
2.207.	XL Capital Ltd	3.420.	See comment on para 3.298	See comment No 2.098
2.208.	CRO Forum	3.421.	See 3.367	Noted
2.209.	KPMG ELLP	3.421.	See 3.301 Paragraph b) relating to financial mitigation techniques is missing from this section (see equivalent paragraph 3.3.67).	See comment 2.189

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2.210.	ROAM (Réunion des Organismes d'Assurance Mutue	3.421.	ROAM is opposed to this principle: we think the forecasting exercise of the MCR / SCR is complex and inconvenient	Noted
2.211.	UNESPA – Association of Spanish Insurers and Reins	3.421.	The MCR and the SCR forecast report, requires the definition of a large number of hypotheses, which would add bias to the calculations and to the SRP.	Noted
2.212.	XL Capital Ltd	3.421.	See comment on para 3.298	See comment No 2.098
2.213.	XL Capital Ltd	3.422.	See comment on para 3.298	See comment No 2.098
2.214.	CRO Forum	3.423.	See 3.370	See comment 2.043
2.215.	XL Capital Ltd	3.423.	See comment on para 3.298	See comment No 2.098
2.216.	XL Capital Ltd	3.424.	See comment on para 3.298	See comment No 2.098
2.217.	XL Capital Ltd	3.425.	See comment on para 3.298	See comment No 2.098
2.218.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN	3.426.	Point h): We would request an explanation of the meaning of section (h) in connection with 'capital allocation' for regulatory and economic capital.	See comment 2.220

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	CES DU			
2.219.			Confidential comment deleted	
2.220.	CEA, ECO-SLV- 09-453	3.426.	Point h): We would request an explanation of the meaning of section (h) in connection with 'capital allocation' for regulatory and economic capital.	Information on the process and methodologie to allocate the SCR and the economic capital. Please refer to Consultation Paper paragraph 3.72 e)
2.221.	CRO Forum	3.426.	We would request an explanation of the meaning of section (h) in connection with 'capital allocation' for regulatory and economic capital.	See comment 2.220
2.222.	European Insurance CFO Forum	3.426.	Further clarification is required around the term "capital allocation" under section h).  The CFO Forum notes that the term "capital allocation" in relation to regulatory and economic capital is not defined. We recommend that further clarification is included within the level 2 implementing measures to set out what is meant by this term.	See comment 2.220
2.223.	German Insurance Association – Gesamtverb and der D	3.426.	Point h): We would request an explanation of the meaning of section (h) in connection with 'capital allocation' for regulatory and economic capital.	See comment 2.220
2.224.	KPMG ELLP	3.426.	See 3.380	See comment 1.281
2.225.	Legal & General Group	3.426.	There are a number of areas in 3.426 where for firms the issue will be the level of detail that is appropriate for these descriptions. This is a typical area where there needs to be an engagement between firms and regulators to ensure that all parties understand the level of granularity involved and the cost of doing this.	Noted
2.226.	Munich RE	3.426.	Munich Re requests an explanation of the meaning of section (h) in connection with 'capital allocation' for regulatory and economic capital.	See comment 2.220

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2.227.	XL Capital Ltd	3.426.	See comment on para 3.298	See comment 1.842
2.228.	XL Capital Ltd	3.427.	See comment on para 3.298	See comment 1.842
2.229.			Confidential comment deleted	
2.230.	CEA, ECO-SLV-09-453	3.428.	<p>We do not agree with the proposal that the level of detail provided for points a), c), d), e), f), and g) should be “the lowest level at which the model is used”.</p> <p>We assume that this would imply e.g. the level to which capital costs are broken down.</p> <p>Point c): We do not understand what is meant by “undiversified capital charges” under (c) in this context.</p>	<p>This requirement is consistent with the level 2 advice on the article 118 and on article 119 on diversification benefits. It was added to that paragraph some example of the granularity supervisory authorities expect Diversification benefits are a key driver of the SCR, undertaking need to proper take into account and justified them.</p> <p>Capital charge before diversification effects</p>
2.231.	CRO Forum	3.428.	<p>We would request clarification of the term “undiversified capital charges” under (c) in this context.</p> <p>We do not agree with the proposal under (h) that the level of detail provided for the SCR results should be “the lowest level at which the model is used” (assuming that this would imply eg the level to which capital costs are broken down). See also 3.383 and 3.384.</p>	See comment 2.230
2.232.	European Insurance CFO Forum	3.428.	Comments in 3.383 and 3.384 are also relevant here.	See comments 2.082 and 2.090
2.233.	German	3.428.	We do not agree with the proposal that the level of detail provided for points	See comment 2.230

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	Insurance Association – Gesamtverb and der D		<p>a), c), d), e), f), and g) should be “the lowest level at which the model is used”.</p> <p>We assume that this would imply e.g. the level to which capital costs are broken down.</p> <p>Point c): We would request clarification of the term “undiversified capital charges” under (c) in this context.</p>	
2.234.	Munich RE	3.428.	<p>Munich Re requests clarification of the term “undiversified capital charges” under (c) in this context.</p> <p>We do not agree with the requirement that “[G]roup internal models should provided [sic] results on a legal entity level”. Similarly to the default method for the standard formula (accounting-consolidation method), group internal models may not be built up from legal entity models for all subsidiaries but rather be based on (possibly only partially) consolidated data.</p>	See comment 2.230
2.235.	XL Capital Ltd	3.428.	See comment on para 3.298	See comment 1.842
2.236.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.429.	It is difficult to respond to reporting proposals which are not presented as an integrated package. The reason for this is that the quantitative reporting templates often provide the practical interpretation of what is meant under the qualitative descriptions.	See comment 2.239
2.237.			Confidential comment deleted	
2.238.	Belgian Coordination Group Solvency II	3.429.	See general comment.	See comment 3.136

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	(Assuralia/			
2.239.	CEA, ECO-SLV- 09-453	3.429.	<p>It is difficult to respond to reporting proposals which are not presented as an integrated package. The reason for this is that the quantitative reporting templates often provide the practical interpretation of what is meant under the qualitative descriptions.</p> <p>The quantitative templates need to be cut down in the level of detail.</p> <p>Supervisors could require all these details when performing an investigation, but many of the details should be left out of the regular reporting. Supervisors will not be able to assess all the information that they require.</p>	<p>CEIOPS disagrees with this comment. An integrated package is not necessary to provide meaningful comments on the content of quantitative templates. These standardized templates will not necessarily be directly related to the content of narrative reports: interaction will depend on the SRP, which has to remain sufficiently flexible. This will be dealt with at Level 3.</p>
2.240.	CRO Forum	3.429.	<p>As explained in the general comments, we have some difficulty in responding to reporting proposals which are not presented as an integrated package. The reason for this is that the quantitative reporting templates often provide the practical interpretation of what is meant under the qualitative descriptions.</p>	See comment 2.239
2.241.	Dexia	3.429.	Please refer to our comment on 3.390.	See comment 2.100
2.242.			Confidential comment deleted	
2.243.	ECIROA	3.429.	<p>Consideration should be given to developing reporting templates appropriate to captives. This will ensure Supervisors will receive all relevant data whilst keeping the costs of reporting appropriate to the size and risk profile of these undertakings. These templates can be used on a European level, ensuring consistency of reporting in different countries.</p>	<p>CEIOPS disagrees with this comment. Captives are (re)insurance undertakings under the Directive and therefore subject to the same reporting requirements, subject to the proportionality principle.</p>
2.244.	European Insurance CFO Forum	3.429.	<p>There is difficulty in responding to the current quantitative reporting templates as they are classified as work-in-progress.</p> <p>The CFO Forum understand that the current quantitative reporting templates</p>	See comment 2.239

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			are work-in-progress, however, there is associated difficulty in responding to the current proposal as it is not in the form of an integrated package.	
2.245.	German Insurance Association – Gesamtverb and der D	3.429.	<p>It is difficult to respond to reporting proposals which are not presented as an integrated package. The reason for this is that the quantitative reporting templates often provide the practical interpretation of what is meant under the qualitative descriptions.</p> <p>The quantitative templates need to be cut down in the level of detail. Supervisors could require all these details when performing an investigation, but many of the details should be left out of the regular reporting. Supervisors will not be able to assess all the information that they require.</p>	See comment 2.239
2.246.	Lloyd's	3.429.	We note that the quantitative templates for the SFCR provided in this paper are draft and will be finalised in level 3. Whilst we appreciate the reasons for this, we note that it is important that these are presented in a final form as soon as possible to allow (re) insurers sufficient time to implement system and reporting changes etc to be able to meet the new requirements.	Noted.
2.247.	Munich RE	3.429.	It is difficult to respond to reporting proposals that are not presented as an integrated package. The reason for this is that the quantitative reporting templates often provide the practical interpretation of what is meant under the qualitative descriptions.	See comment 2.239
2.248.	PricewaterhouseCoopers LLP	3.429.	<p>It is proposed that CEIOPS intends to specify at level 3 the detail of the quantitative reporting templates. The quantitative reporting requirements may require systems developments to facilitate their production and we believe it is important that preparers (and where applicable auditors) have sufficient opportunity to comment on CEIOPS specific proposals in this regard. As such we would encourage CEIOPS to develop its proposals in this regard at the earliest opportunity.</p> <p>Undertakings should be able to apply the principle of proportionality so that reporting is not required for immaterial lines of business. While judgements of proportionality should primarily be the judgements of management and not prescribed, CEIOPS may wish to consider providing a framework to guide management in applying the principle of proportionality in practice.</p>	<p>Noted.</p> <p>Concerning historic data, the need for transitional arrangement may be addressed at Level 3.</p>



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			Where reporting includes historic data (e.g. claims triangles) transitional arrangements may be needed to recognise the fact that data may not have historically been collected in a way that facilitates reporting in the prescribed quantitative reporting templates.	
2.249.	Dexia	3.430.	Dexia wants to highlight that harmonisation is a very positive evolution as long as the common templates are equally used by all supervisors.	Noted
2.250.			Confidential comment deleted	
2.251.	KPMG ELLP	3.430.	We agree that the quantitative reporting templates should be harmonised on a European level as far as practicable.	Noted.
2.252.	PricewaterhouseCoopers LLP	3.430.	We concur with the proposed harmonisation of quantitative reporting templates.	Noted.
2.253.	ACORD	3.434.	Harmonized and standardized cross border reporting cannot occur without use of data standards.	Noted.
2.254.			Confidential comment deleted	
2.255.	Belgian Coordination Group Solvency II (Assuralia/	3.434.	Question: How should we interpret “as far as practicable”?	Noted. See revised paragraph
2.256.	CRO Forum	3.434.	We strongly agree with the need for harmonisation of quantitative reporting templates.	Noted.
2.257.	Dexia	3.434.	This subject has been deeply discussed with FINREP & COREP harmonisation attempts in the banking industry. Dexia will back a “maximum data model”, being a template in which each supervisor has to pick up some table but without being allowed to change the content of any of those tables, neither being allowed to require more than what is foreseen by the templates. We are also in favour of a compulsory application of these for all entities in XBRL format.	See comments on 11.

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2.258.			Confidential comment deleted	
2.259.	KPMG ELLP	3.434.	See 3.430	Noted.
2.260.	Lloyd's	3.434.	<p>We support the objectives of harmonisation but consider that exceptionally, there may need to be modifications to the reporting arrangements, content and timetable to enable the most appropriate reporting (for both supervisors and other relevant parties) to be achieved, reflecting the structure of the undertaking.</p> <p>We also consider that harmonisation and the fundamental principle of home state financial supervision mean that national supervisors should not be permitted to impose any reporting requirements on local branches of undertakings whose head offices are in other EU member states.</p>	<p>Regular reporting templates should cover all undertakings, without individual modifications; further entity-specific information can be asked through ad hoc reporting.</p> <p>Concerning branches, the supervisory authorities of the host state should be able to ensure that the requirements of article 29 (3) are met.</p>
2.261.	Dexia	3.436.	We would like to highlight that the content is as important as the layout, if not more important. National discretions on Solvency II should be prohibited and entities should be free to use their own accounting rules (audited) for financial reporting, as specified in 3.437.	<p>CEIOPS disagrees with the comment.</p> <p>Financial reporting out of scope of SII and its implementing measures.</p>
2.262.	KPMG ELLP	3.436.	We agree the templates should require information to submitted on a Solvency II basis (together with certain quantitative data from the statutory accounts) because the templates are being prepared for the purpose of regulatory supervision.	Noted.
2.263.	Lucida plc	3.436.	Whilst we agree with CEIOPs that harmonisation of financial statements may be outside the solvency II directive this does not mean that steps cannot be taken by the EU to harmonise the accounting regime. A huge amount of duplication can be avoided in writing the SFCR and RTS.	CEIOPS disagrees with this comment as it is outside of scope of SII and its implementing measures
2.264.			Confidential comment deleted	
2.265.	CRO Forum	3.437.	We understand the rationale here, but it raises the question of the consistency and comparability when solvency positions are based on the	Noted.

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			consolidated position of entities in different territories using different accounting bases.	
2.266.	KPMG ELLP	3.437.	We agree that where the templates require accounting information that this may be submitted on an IFRS or local GAAP basis depending on the basis used in the statutory accounts.	Noted.
2.267.	Lloyd's	3.437.	The completion of the quantitative templates (and the SFCR and RTS as a whole) should be based on, as a starting point, using IFRS or the national accounting GAAP of the entity as long as that GAAP is based on economic principles.	CEIOPS disagrees with this comment. Besides, content of SII valuation rules out of scope of this CP.
2.268.	PricewaterhouseCoopers LLP	3.437.	This paragraph refers to "the limited accounting information required in Annex D". For each of the proposed templates it should be clarified (except where it is self evident) where accounting as opposed to solvency figures should be used.	Noted. This may be addressed at Level 3.
2.269.			Confidential comment deleted	
2.270.	CEA, ECO-SLV-09-453	3.438.	See comment to 3.165.	See 1.049
2.271.	Dexia	3.438.	While we recognise that this reconciliation is useful information, we strongly advocate for not requiring entities to have to reconcile these figures in detail. As a matter of fact, principles for collecting Solvency II & IFRS may vary strongly and, most of all, consolidation perimeter is different i.e. it causes differences at the level of entities, not at transaction level.	CEIOPS disagrees with this comment. This is a Level 1 requirement (article 50)
2.272.	European Insurance CFO Forum	3.438.	Comments in 3.165 are also relevant here.	See comment 1049
2.273.	KPMG ELLP	3.438.	We agree that reconciliations should be required within the templates between Solvency II and statutory accounts figures.	Noted.
2.274.	PricewaterhouseCoopers	3.438.	Please clarify whether a reconciliation between the accounting balance sheet and the regulatory balance sheet will be required as part of quantitative	Template C1 contains figures on both bases.

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	LLP		reporting.	
2.275.	Belgian Coordination Group Solvency II (Assuralia/	3.439.	Question: Can we be sure that solvency II reporting will replace the current reporting requirements?	Noted. As stated in the CP, " <i>the quantitative reporting templates described in this section and set out in Annex D of CP58 should replace all present national quantitative reporting templates that supervisors collect for supervisory purposes, except for national templates relating to national specificities, local regulations or accounting-specific information which is outside the scope of Solvency II.</i> "
2.276.	CEA, ECO-SLV-09-453	3.439.	See comments to 3.440 and 3.453.	See comment 2281
2.277.	Dexia	3.439.	We strongly recommend forbidding national supervisors to request additional tables, except on an ad-hoc and not on regular basis, since it will make the efforts for harmonisation completely useless. As explained in our comment on 3.434, we favour a "maximum data model" that would incorporate all national requirements. As a matter of fact, it is much more expensive to have to compute figures for a reporting 17 times in a different way, then having to create the process to gather a bigger volume of data that will have to be computed once. The first option creates an important recurrent cost, the second one an important cost of implementation only.	Noted. Any additional requirement should be limited to national specificities, local regulations or accounting-specific information, and could be discussed within CEIOPS.
2.278.	KPMG ELLP	3.439.	In the interests of providing a 'level playing field' throughout the EEA, supervisors should be discouraged from requiring additional qualitative reporting templates from all undertakings over and above those required under Solvency II. Supervisors should however be free to request whatever additional information they consider appropriate from individual entities for the purposes of supervision.	Noted.

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2.279.	Munich RE	3.439.	Replacement of all existing national reporting templates is welcomed. National templates should be limited to specific features of local accounting rules and should only seldom need to be used.	Noted.
2.280.			Confidential comment deleted	
2.281.	CEA, ECO-SLV- 09-453	3.440.	We agree that any supplementary quantitative reporting template should be restricted to exceptional cases.  We suggest that any such supplementary reporting should be discussed with Ceiops before introduction. This question is connected also to 3.453.	Noted. See comment 2277.
2.282.	CRO Forum	3.440.	Our view is that supplementary quantitative reporting templates should be reserved for exceptional cases or scenarios.	See comment 2.277
2.283.	Dexia	3.440.	We recognise that solo reporting is much more difficult to harmonise because of a lack of harmonised accounting rules.	Noted.

2.284.	European Insurance CFO Forum	3.440.	Supplementary quantitative reporting templates should be reserved for exceptional cases or scenarios.  The CFO Forum recommends any supplementary reporting to be discussed before introduction.	Noted. See comment 2277.
2.285.	KPMG ELLP	3.440.	We agree that CEIOPS should investigate further the supplementary national templates which supervisors are likely to request to reflect the specific nature of national markets or regulations. CEIOPS should consider whether these supplementary templates are justified as they could potentially impact on the level of harmonisation of regulatory reporting which is actually achieved under Solvency II.	Noted. See comment 2277
2.286.	Lloyd's	3.440.	It should be recognised that undertakings vary in structure and thus 'national specificities' in the reporting templates should be permitted in exceptional cases in order to permit the most meaningful presentation of the data for such undertakings.	Noted. See comment 2277
2.287.			Confidential comment deleted	
2.288.	KPMG ELLP	3.441.	We agree that it is appropriate for the templates to also be used to collect statistical data.	Noted.
2.289.	Dexia	3.442.	Regarding the format of the templates, Dexia advises to use XBRL, used by more and more supervisors on the banking side.	Noted
2.290.			Confidential comment deleted	
2.291.	Lucida plc	3.442.	We believe that quantitative reporting templates are most useful from a user's perspective. We strongly believe that CEIOPs should reconsider their role in public reporting.	Noted
2.292.			Confidential comment deleted	
2.293.	Belgian Coordination Group Solvency II (Assuralia/	3.444.	This para is in a certain limit a countersense.	CEIOPS disagrees.

2.294.	Belgian Coordination Group Solvency II (Assuralia/	3.445.	At least entities should be allowed to segment their reporting in the same way as IFRS 8 applies.  The insurance industry could liaise with CEIOPS and local supervisors in order to coordinate the information request CEIOPS is proposing.	Refused for segmentation: depends on Solvency II specific segmentation.  Noted concerning liaison with the industry.
2.295.	Dexia	3.447.	We consider that option 2 seems reasonable to limit the multiplication of different disclosures.	Noted.
2.296.	KPMG ELLP	3.447.	We agree that Option 2 for Issue A (ie submission of quantitative templates in accordance with Annex D) is the most appropriate option, however we have a number of comments on the current draft templates which are shown in our comments on Annex D below.	Noted.
2.297.	CEA, ECO-SLV-09-453	3.448.	See comment to 3.440 and 3.453.	Noted. See comment 2277.
2.298.	Dexia	3.448.	Dexia wants to highlight the risks (costs) for cross border groups of requiring a different reporting in each country, as already explained in other comments.	Noted.
2.299.	European Insurance CFO Forum	3.448.	Comments in 3.440 are also relevant here.	Noted. See comment 2277.
2.300.	KPMG ELLP	3.448.	See 3.440	See comment 2.285
2.301.	Lloyd's	3.448.	It should be recognised that undertakings vary in structure and thus 'national specificities' in the reporting templates should be permitted in exceptional cases in order to permit the most meaningful presentation of the data for such undertakings.	Noted.
2.302.	Belgian Coordination Group Solvency II (Assuralia/	3.449.	The practical impact of the proportionality principle is unclear.	Noted. This may be addressed at Level 3
2.303.	CEA, ECO-SLV-	3.449.	It is difficult to know how the principle of proportionality will be exercised in relation to the information requirements as Ceiops has postponed its decision	See comment 2.302

	09-453		on the extent to which the proportionality principle can be used in relation to the quantitative data required in the tables in Annex D to Level 3.	
2.304.	Danish Insurance Association	3.449.	It is difficult to know how the principle of proportionality will be exercised in relation to the information requirements as CEIOPS has postponed its decision on the extent to which the proportionality principle can be used in relation to the quantitative data required in the tables in Annex D to Level 3. (See also 3.501)	See comment 2.302
2.305.			Confidential comment deleted	
2.306.	KPMG ELLP	3.449.	We consider that the proportionality principle will be very important with respect to completion of the QRT. We note that this is an area to be discussed further at Level 3.	See comment 2.302
2.307.	PricewaterhouseCoopers LLP	3.449.	As noted by CEIOPS, proportionality will be an important consideration around quantitative reporting templates, and we await further guidance at Level 3. CEIOPS envisages that some templates may only be required to be completed for material lines of business, and we would recommend the development of appropriate guidance to facilitate application of this principle.	See comment 2.302
2.308.	Belgian Coordination Group Solvency II (Assuralia/	3.450.	A full guidance is welcome but must be delivered on a timely basis, continuously updated, and accompanied by training sessions.	Noted.
2.309.			Confidential comment deleted	
2.310.	KPMG ELLP	3.450.	We agree that full guidance and definitions will be required for each item on the final quantitative reporting templates. We note that this is currently outstanding and will be provided at Level 3.	Noted.
2.311.	Munich RE	3.450.	Besides giving guidance and definitions for each item, CEIOPS should also explain the purpose of every single item and how it will be (automatically) processed and used; especially Templates D1, D3 and D4	Noted.
2.312.	ACA – ASSOCIATION DES COMPAGNIE	3.451.	The requirement for “a detailed list of individual investments” is excessive. We absolutely do not agree that a detailed list of individual investments should be reported on a regular basis. In case of any market turmoil or	See comment 2316.



	S D'ASSURAN CES DU		likewise the supervisor could arrange for provisional reporting requirements. It must be considered that information on individual investments can very quickly become out-dated. We would propose that aggregated information by investment category is adequate.	
2.313.	Association of British Insurers	3.451.	We do not believe that providing a detailed list of individual investments held is appropriate. The provision of such information could be onerous and as the components of the investment portfolio are likely to change on a frequent basis this information will be of limited use to supervisors.	See comment 2316.
2.314.			Confidential comment deleted	
2.315.	Belgian Coordination Group Solvency II (Assuralia/	3.451.	We encourage CEIOPS to make further enquiries in order to assess whether this kind of reporting is really relevant. Assuralia has set up a dedicated working group on that matter.	See comment 2316.
2.316.	CEA, ECO-SLV- 09-453	3.451.	The requirement for “a detailed list of individual investments” is excessive.  We absolutely do not agree that a detailed list of individual investments should be reported on a regular basis. In case of any market turmoil or likewise the supervisor could arrange for provisional reporting requirements. It must be considered that information on individual investments can very quickly become out-dated. We would propose that aggregated information by investment category is adequate.	CEIOPS disagrees.  A detailed list of investments is essential to monitor asset risks on a continuous basis and ex ante (not just after volatile market scenarios have occurred) and is an important part of the prevention of systemic risk.  Such a requirement is already implemented in some member states for insurance undertakings and in all EEA states for other financial institutions (investments funds: regulation 958/2007).
2.317.	CRO Forum	3.451.	We strongly disagree with the proposed requirement for “a detailed list of individual investments” as part of standard reporting, which is excessive. Aggregated information by investment category would be adequate. In exceptional market circumstances, additional ad-hoc reporting may be	See comment 2316

			justified.	
2.318.	European Insurance CFO Forum	3.451.	<p>The CFO Forum strongly disagrees with the proposed requirement of a “detailed list of individual investments”.</p> <p>The proposed requirement is excessive.</p> <p>The CFO Forum suggests that either:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> aggregated information by investment category is adequate, or</li> <li><input type="checkbox"/> during market volatile scenarios, there could be provisional reporting requirements to be undertaken.</li> </ul>	See comment 2316
2.319.	German Insurance Association – Gesamtverb and der D	3.451.	<p>The requirement for “a detailed list of individual investments” is excessive.</p> <p>We absolutely do not agree that a detailed list of individual investments should be reported on a regular basis. In case of any market turmoil or likewise the supervisor could arrange for provisional reporting requirements. It must be considered that information on individual investments can very quickly become out-dated. We would propose that aggregated information by investment category is adequate.</p>	See comment 2316
2.320.	KPMG ELLP	3.451.	See our comments with respect to template D1 below.	See comment 2316
2.321.	Munich RE	3.451.	<p>Although Munich Re understands that CEIOPS wants to have as detailed information as possible for their own calculations and to continuously monitor risks, it does not seem to be the best approach. Better would be to define the risks CEIOPS wants to monitor and then define templates to cover these risks on an aggregated basis and to monitor them on an entity-specific and market-wide basis.</p> <p>MR considers that the proposed requirement is excessive and suggests that aggregated information by investment category would be adequate.</p>	See comment 2316
2.322.	Pearl Group Limited	3.451.	We do not believe that providing a detailed list of individual investments held is appropriate. The provision of such information could be onerous and as the components of the investment portfolio are likely to change on a frequent basis this information will be of limited use to supervisors.	See comment 2316
2.323.	CEA, ECO-SLV-	3.452.	See comment to 3.440.	Noted.

	09-453			
2.324.	German Insurance Association – Gesamtverb and der D	3.452.	See comment to 3.440.	Noted.
2.325.	Legal & General Group	3.452.	The templates should be essentially the same for all countries. Also applies to section 3.453	Noted.
2.326.	Lloyd's	3.452.	We agree with the concept of quantitative templates.	Noted.
2.327.	ACORD	3.453.	Standardized reporting rest on a foundation of standard data definitions and information modeling approaches, allowing many national standards to be mapped.	Noted.
2.328.	Association of British Insurers	3.453.	We agree that there should be a harmonised basis for the quantitative reporting templates.	Noted.
2.329.	CEA, ECO-SLV-09-453	3.453.	We support harmonising the quantitative reporting templates.  Supplementary national templates should be restricted to exceptional cases. The experience of Basel 2 shows how impossible it is to deal with all different templates in different countries. However, product specific difference might be better captured by additional templates than by a "one size fits all"-template. We recommend that all member states that will ask for supplementary templates have to justify it in detail to Ceiops and that groups impacted by these supplementary templates could react to this.	Noted. See comment 2277.
2.330.	CRO Forum	3.453.	We would argue that additional national templates should be avoided given the operational burden of managing different templates in different countries (as experienced under Basel II).	Noted. It will prove difficult to altogether avoid national templates in case of specific products or regulations, but they should be restricted to exceptional cases. See comment 2281.

2.331.	Dexia	3.453.	Specific (national) tables should remain very exceptional if not forbidden.	Noted. See comment 2277.
2.332.	European Insurance CFO Forum	3.453.	<p>Additional national templates should be avoided given the operational burden of managing different templates in different countries as experienced with Basel II.</p> <p>To manage the number of templates used, CEIOPS should urge the EC to encourage Member States to adjust any local regulation which insists on the production of additional templates.</p> <p>Comments in 3.440 are also relevant here.</p>	<p>Noted. See comments 2330 and 2277.</p> <p>Out of scope of this Advice</p>
2.333.	FFSA	3.453.	<p>The CEIOPS proposes that the quantitative reporting templates be harmonised on a European level as far as practicable, and be compulsory for all undertakings within the EEA</p> <p>FFSA recommends to avoid national additional templates. The experience of Basel 2 shows how impossible it is to deal with all different templates in different countries. FFSA recommends that CEIOPS proposes to EC to encourage Member state to change their local regulation if this one imposes an additional template. Therefore, FFSA also recommend that all country that will ask an additional template has to justify it in very details in front of CEIOPS and that Groups impacted by these additional templates could react on this local demand.</p>	Noted. See comments 2330 and 2277.
2.334.	German Insurance Association – Gesamtverb and der D	3.453.	<p>We support harmonising the quantitative reporting templates.</p> <p>Supplementary national templates should be restricted to exceptional cases. The experience of Basel 2 shows how impossible it is to deal with all different templates in different countries. However, product specific difference might be better captured by additional templates than by a “one size fits all”-template. We recommend that all member states that will ask for supplementary templates have to justify it in detail to CEIOPS and that groups impacted by these supplementary templates could react to this.</p>	Noted. See comment 2277.
2.335.	Legal & General Group	3.453.	See 3.452	Noted.
2.336.	Lloyd’s	3.453.	See comment under 3.448.	Noted.

2.337.	Pearl Group Limited	3.453.	We agree that there should be a harmonised basis for the quantitative reporting templates.	Noted.
2.338.	KPMG ELLP	3.454.	We agree that it will not be possible to produce standard reporting templates with respect to reporting the results of internal models. We therefore agree that the majority of quantitative information should be reported through the RTS.	Noted.
2.339.	KPMG ELLP	3.458.	We agree with the proposed approach with respect to reporting of SCR results where an undertaking uses a partial internal model.	Noted
2.340.	Munich RE	3.463.	Considerations on submitting reports in a standardised format are very welcome. Under these circumstances the development of an EU-wide software for data transfer should be considered as well (comparable to the DUEVA system in use in Germany).	CEIOPS is considering what harmonised format for reporting will be used from 2012 and is likely to consult on that in early 2010. Any decision will be based on a cost benefit analysis and assessment of the benefits and risks (of achieving delivery in time for reporting to commence in November 2012) of various alternatives.
2.341.	Belgian Coordination Group Solvency II (Assuralia/	3.465.	We outline that for accounting purpose, fair valuation of insurance liabilities will be generated on a quarterly basis.	Noted.
2.342.	AAS BALTA	3.467.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.  Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.  Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.  Clarity required throughout on comparative data requirements for first	Noted. This may be addressed at Level 3

			submission.	
2.343.	AB Lietuvos draudimas	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342
2.344.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.467.	We consider that the proposed reporting timeline for annual reporting (ie 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	See comment 2.345
2.345.	Association of Friendly Societies	3.467.	We agree that the SFCR should be completed annually and that the deadline should be within 3 to 4 months of the end of the year. We consider that some sections of it may be suitable for exception reporting where only changes from year to year should be reported rather than the same information being repeated.	Noted. See revised paragraphs
2.346.			Confidential comment deleted	
2.347.	CEA, ECO-SLV-09-453	3.467.	<p>We consider that the proposed reporting timeline for annual reporting (i.e 4 months after financial year-end) is feasible in the longer term.</p> <p>However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.</p>	See comment 2.345.
2.348.	CRO Forum	3.467.	<p>Also applies to 3.476 and 3.494</p> <p>We consider that the proposed reporting timeline for annual reporting (ie 4</p>	See comment 2.345.

			months after financial year-end) is feasible in the longer term. However undertakings need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	
2.349.	DENMARK: Codan Forsikring A/S (10529638)	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342
2.350.			Confidential comment deleted	
2.351.	European Insurance CFO Forum	3.467.	<p>The proposed reporting timeline for annual reporting is feasible in the long term but flexibility in the early years of implementation will be necessary.</p> <p>The CFO Forum believes the “4 months after financial year-end” deadline for annual reporting to be feasible in the longer term. Given that level 3 guidance will not be available until 2011, development of improved delivery processes before implementation of Solvency II will not be achievable and additional time will be required in the first few years.</p>	See comment 2.345.
2.352.	KPMG ELLP	3.467.	While we agree that 3-4 months period is a reasonable timeframe for reporting, we recommend that a 4 month period would be helpful initially, which is likely to result in better quality disclosures. This could be reviewed (say) after two annual sets of QRT have been submitted to establish whether it would be appropriate to then reduce the reporting timeframe to 3 months.	See comment 2.345.
2.353.	Legal & General Group	3.467.	There is a material issue about the robustness of the numbers and the ability to produce them quickly. We do not disagree with a target of 3-4 months and indeed the need to produce MCR and SCR every quarter implies than 4 months is too long. In practice the market may drive firms to a much tighter timeline although will depend upon how “auditable” the numbers need to be and the relevant stock exchange rules.	See comment 2.345.

2.354.	Link4 Towarzystw o Ubezpieczeń SA	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342.
2.355.	Lloyd's	3.467.	<p>We consider that although the SFCR should be provided to the supervisor as expediently as possible, it is necessary to allow sufficient time for preparation and proper review of the SFCR. There may be circumstances where, due to the structure of the undertaking, this may reasonably take longer and/or be more complex than for undertakings as a whole. National supervisors should therefore be permitted to set a deadline for submission of the SFCR which is specific to that undertaking, as long as in no case does the deadline exceed six months after the year end.</p> <p>In any case, undertakings and groups will need time to develop and improve new delivery processes and we accordingly suggest that additional time be permitted in the early years of Solvency II implementation for submission of the SFCR. We recommend that for the first five years after implementation the deadline is set at six months after the year end. Four months might be an appropriate deadline for the submission of the SFCR in the longer term.</p> <p>A lot of the information required for the SFCR is already contained in the undertaking's financial statements which will typically be published somewhat earlier.</p>	<p>Not agreed, Reporting deadlines as contained in this advice, along with some transitional provisions.</p> <p>see revised paragraphs</p>
2.356.	Munich RE	3.467.	<p>MR considers that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation. Groups should be allowed more time than solo entities.</p>	See comment 2.345.



2.357.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342.
2.358.	OAC Actuaries and Consultants	3.467.	<p>We agree that the SFCR should be completed annually and that the deadline should be within 3 to 4 months of the end of the year. We consider that some sections of it may be suitable for exception reporting where only changes from year to year should be reported rather than the same information being repeated.</p>	Noted.
2.359.	Pricewaterho useCoopers LLP	3.467.	<p>Submission of the SFCR within 3 or 4 months of the financial year end may be broadly aligned with current external reporting requirements in certain territories (e.g. the UK) whereas in other territories this may represent a significant change. In any event the depth and breadth of information required by CP58 (even for those territories that currently require external regulatory reporting) may be a significant increase on current reporting requirements.</p> <p>In particular the consolidated (group) data may necessarily need to be prepared subsequent to the preparation of entity (solo) data and so it may be appropriate to allow groups to prepare their solo data to one deadline then consolidate into their group data at a subsequent later deadline (allowing the later deadline to be used when only a group SFCR is prepared).</p> <p>It is likely that the first year of reporting under the Directive may involve a greater resource input by preparers and auditors and so increase the time pressure of the reporting process. Consideration should be given to a transitional arrangement permitting the extension of the reporting deadlines in the first year of adoption.</p> <p>There may be exceptional circumstances where it is proportionate to allow undertakings additional time to meet their reporting requirements. We believe supervisors should have the ability to grant an extension to the reporting</p>	Noted. See revised paragraphs

			<p>deadlines to individual insurers where they believe it is proportionate to do so.</p> <p>This comment also applies to paragraph 3.476, and to paragraphs 3.489, 3.494, 3.506 and 3.511 with respect to the RTS and quantitative reporting templates.</p>	Noted.
2.360.	RSA Insurance Group PLC	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342.
2.361.	RSA Insurance Ireland Ltd	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342.
2.362.	RSA - Sun Insurance Office Ltd.	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p>	See comment 2.342.

			Clarity required throughout on comparative data requirements for first submission.	
2.363.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.467.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.</p> <p>Also; Clarity required for the regulators role in agreeing/signing off, before we can state whether 4 months is achievable, especially if there would be a number of iterations before finalised and then this would be repeated across the European subsidiaries.</p> <p>Clarity regarding whether all subsidiaries need to be signed off before Group or vice versa.</p> <p>Clarity required throughout on comparative data requirements for first submission.</p>	See comment 2.342.
2.364.			Confidential comment deleted	
2.365.	CRO Forum	3.468.	We consider that listed Groups will be expected to publish this information with their financial results.	Noted.
2.366.	Dexia	3.469.	We believe that the issue of format can be completely avoided by using XBRL since it allows standardised analysis of non standardised formats.	See comments on 2.340 .
2.367.	KPMG ELLP	3.469.	See 3.86	Noted.
2.368.			Confidential comment deleted	
2.369.	CEA, ECO-SLV- 09-453	3.471.	<p>The publishing requirements are too burdensome.</p> <p>Point b): For cross border groups with a company language that is understandable to all supervisors in the college this language should be sufficient for both solo and group disclosures. See also comments on 3. 273.</p> <p>Point c) It is unclear how Ceiops have derived the five business day requirement and this is too short. Also see comment to 3.478.</p>	<p>Noted.</p> <p>CEIOPS considers this a reasonable time period for sending a report already prepared.</p>
2.370.	CRO Forum	3.471.	It is not clear how CEIOPS has derived the five business day requirement under (c). In our opinion if the SFCR has been provided by electronic means, the written requirement should be one month.	See comment 2.369
2.371.	DIMA	3.471.	Most captive entities will not have a website to publish the SFCR, and it is	Noted.

	(Dublin International Insurance & Management		unlikely that the parent would be willing to publish such a report on its corporate site. There is reference to publishing when requested by stakeholder/ policyholder etc.	
2.372.	European Insurance CFO Forum	3.471.	Comments in 3.276 are also relevant here.	Noted.
2.373.	European Union member firms of Deloitte Touche To	3.471.	3.471(b), the requirement for official languages in the explanatory notes is not mentioned in the draft Level 2 advice.	This may be addressed at Level 3.
2.374.	German Insurance Association – Gesamtverb and der D	3.471.	The publishing requirements are too burdensome.  Point b): For cross border groups with a company language that is understandable to all supervisors in the college this language should be sufficient for both solo and group disclosures. See also comments on 3. 277.  Point c) It is unclear how CEIOPS have derived the five business day requirement and this is too short. Also see comment to 3.477.	See comments on 2.369
2.375.	KPMG ELLP	3.471.	The issue of how public disclosure can be achieved in practice is a difficult one. Whilst we agree that it would be appropriate for (re)insurance undertakings/insurance groups to publish the SFCR on their website, the existence of a central repository in each Member State where users could download the SFCR (possibly for a fee) would make access a lot easier.	The onus is on undertakings to publish the SFCR under the Directive
2.376.	PricewaterhouseCoopers LLP	3.471.	This paragraph refers to Recital 21 which states “To publicly disclose information means to make it available to the public either in printed or electronic form free of charge”  The use of the word “either” (as opposed to “both”) in the Recital implies that an insurer could fulfil its obligations by making the document available in one or the other of electronic or printed form.	Noted, but CEIOPS disagrees. .

			<p>The proposals in paragraph 3.471 do not represent a consistent interpretation of this Recital. Insurers with no website facility are permitted to make the document available solely in printed form. This implicitly acknowledges that the Recital does not mandate disclosure in both printed and electronic form.</p> <p>However, paragraph 3.471 refers to “the Directive’s requirement (Recital 21) that paper copies be made available” and paragraph 3.472 goes on to mandate paper copy disclosure even when electronic disclosure has been made. This appears to be an incorrect reading of the Recital that allows optionality on the form of disclosure. As a result, given printed disclosure would not appear to be mandated by the Directive consideration should be given as to whether it is proportionate for CEIOPS to mandate it.</p> <p>In sub-paragraph b) we note that whilst the use of a trade association’s website may be an option we do not believe it should be a requirement (and so “should” should be replaced with “may”) as it will be outside the insurer’s control whether a trade association allows publication of SFCRs on its website. Also there may be many members of a trade association and so we do not believe it should be mandated that the trade association’s website homepage should contain a link to each individual SFCR contained on its website as this may lead to the homepage becoming unduly cluttered.</p> <p>In sub paragraph c) we query whether a 5 business days requirement for despatch of the SFCR should be mandated. Such a requirement may lead to insurers having to stockpile large quantities of SFCRs in order to meet any short term unexpected level of demand. A longer mandated deadline (say 4 weeks) with clear guidance that despatch should be made as soon as practical may be more proportionate.</p>	
2.377.	Association of Friendly Societies	3.472.	The requirement to provide a printed copy to anyone who wants it within 5 days is very onerous given the size of the proposed report (which is likely to be several hundred pages even for smaller firms). This again suggests that the public disclosure document should be far smaller and more limited in scope.	See comment 2.369.
2.378.	European	3.472.	3.472, the requirement for 5 business days delivery in the explanatory notes	See comment 2.369.

	Union member firms of Deloitte Touche To		is not mentioned in the draft Level 2 advice.	
2.379.	German Insurance Association – Gesamtverb and der D	3.472.	See comment to 3.471 c)  A printed copy will not be necessarily free of charge.	CEIOPS disagrees. Directive recital 21 requires it
2.380.	OAC Actuaries and Consultants	3.472.	The requirement to provide a printed copy to anyone who wants it within 5 days is very onerous given the size of the proposed report (which is likely to be several hundred pages even for smaller firms). This again suggests that the public disclosure document should be far smaller and more limited in scope.	See comment 2.369.
2.381.	PricewaterhouseCoopers LLP	3.472.	See comments on paragraph 3.471.	Noted.
2.382.	European Union member firms of Deloitte Touche To	3.473.	3.473, the requirement for 5 year retention in the explanatory notes is not mentioned in the draft Level 2 advice.	Not all white text is copied into Level 2 advice
2.383.	German Insurance Association – Gesamtverb and der D	3.473.	We think that an electronic copy will be sufficient. We suggest the following redrafting:  “who should send them an electronic copy or a printed version as soon as possible.”  A printed copy will not be necessarily free of charge.	Not agreed. See comment 2.379.

2.384.	German Insurance Association – Gesamtverb and der D	3.475.	We agree (see Art. 54 (2)).	Noted.
2.385.	Association of British Insurers	3.476.	<p>A timeframe of four months after the year-end is achievable (although additional time may be needed in the first years after Solvency II is introduced) at least for the Group SFCR. It is not clear, however, if a large group would have the resources to publish all the SFCR's (group and solo entity) within such a timeframe. The likely analogy is with the annual accounts where the group accounts are usually published within three or four months of the year-end but the statutory accounts of subsidiaries may not be published until sometime afterwards.</p> <p>Our response to paragraph 3.31 is relevant to this issue. We do not think that the four month deadline would be achievable for publishing SFCRs if all of these had to be vetted in advance by the supervisor – this would inevitably lead to delays and present a considerable strain on regulatory resources.</p>	Noted. See comment 2.359.
2.386.	CEA, ECO-SLV-09-453	3.476.	<p>We propose time lines consistent with accounting (group or solo annual report).</p> <p>A timeframe of four months after the year-end is achievable. Although additional time may be needed in the first years after Solvency II is introduced and at least for the Group SFCR. It is not clear, however, if a large group would have the resources to publish all the SFCR's (group and solo entity) within such a timeframe. The likely analogy is with the annual accounts where the group accounts are usually published within three or four months of the year-end but the statutory accounts of subsidiaries may not be published until sometime afterwards.</p> <p>Paragraph 3.31 is relevant to this issue. We do not think that the four month deadline would be achievable for publishing SFCRs if all of these had to be vetted in advance by the supervisor – this would inevitably lead to delays and</p>	Noted. See revised paragraphs.

			present a considerable strain on regulatory resources.	
2.387.	CRO Forum	3.476.	See comment to 3.467	Noted.
2.388.	FFSA	3.476.	<p>The CEIOPS requires that undertakings and groups shall publish and submit to the supervisor their SFCR within 3 or 4 [to be decided prior to Level 2 advice] months after their financial year end.</p> <p>FFSA proposes 4 months after the financial year end to publish and submit the SFCR to the supervisor</p>	Noted. See revised paragraph.
2.389.	German Insurance Association – Gesamtverb and der D	3.476.	<p>We propose time lines consistent with accounting (group or solo annual report).</p> <p>Even a timeframe of four months after the year-end is challenging. Although additional time may be needed in the first years after Solvency II is introduced and at least for the Group SFCR. It is not clear, however, if a large group would have the resources to publish all the SFCR's (group and solo entity) within such a timeframe. The likely analogy is with the annual accounts where the group accounts are usually published within three or four months of the year-end but the statutory accounts of subsidiaries may not be published until sometime afterwards.</p> <p>Paragraph 3.31 is relevant to this issue. We do not think that the four month deadline would be achievable for publishing SFCRs if all of these had to be vetted in advance by the supervisor – this would inevitably lead to delays and present a considerable strain on regulatory resources.</p>	<p>Noted. See revised paragraph.</p> <p>The SFCR does not require pre-vetting – see revised paragraphs clarifying that</p>
2.390.	Institut des actuaires (France)	3.476.	<p>The consultation paper is clear about the date of communication to the supervisory authorities of the SFCR (“upon publication by the undertaking”, and this publication should happen “within 3 or 4 months after their financial year end”).</p> <p>However the paper is less clear whether the publication of the SFCR should happen the same day as the publication of the financial year accounting results. For listed insurance companies that traditionally publish their results</p>	Noted.



			<p>within 1 or 2 months after their financial year end, it could prove very challenging to publish their SFCR at the same time.</p> <p>A longer period for submission of the SFCR should be allowed during the first years of the application of the Solvency II regime (transition relief).</p>	Noted. See revised paragraph.
2.391.	KPMG ELLP	3.476.	See 3.467	Noted.
2.392.	Lloyd's	3.476.	See comment under 3.467.	Noted.
2.393.	Pearl Group Limited	3.476.	<p>A timeframe of four months after the year-end is achievable (although additional time may be needed in the first years after Solvency II is introduced) at least for the Group SFCR. It is not clear, however, what would have the resources to publish all the SFCR's (group and solo entity) within such a timeframe. The likely analogy is with the annual accounts where the group accounts are usually published within three or four months of the year-end but the statutory accounts of subsidiaries may not be published until sometime afterwards.</p> <p>Our response to paragraph 3.31 is relevant to this issue. We do not think that the four month deadline would be achievable for publishing SFCRs if all of these had to be vetted in advance by the supervisor – this would inevitably lead to delays and present a considerable strain on regulatory resources.</p>	See comment 2.389
2.394.	PricewaterhouseCoopers LLP	3.476.	See comments on paragraph 3.467.	Noted.
2.395.	ROAM (Réunion des Organismes d'Assurance Mutue	3.476.	ROAM considers that the extension of 3 or 4 months for the publication of the SFCR after the end of the financial year is too short. ROAM proposes an extension of 6 months. Or at least an extended period of 6 month only during the transition period.	Not agreed.
2.396.	uniqa	3.476.	We miss at this point a clear advice for the reporting timeframe of solo undertakings and groups. There should be different deadlines for solos and groups since the consolidation process is quite time consuming and so the deadline for groups should be extended. Undertakings and groups running a fast close would have an advantage to finalize the report within 3-4 months.	Noted.

2.397.	XL Capital Ltd	3.476.	It is unclear whether the 4 month timeframe would work in the case of a College of Supervisors where individual supervisors may want to vet the SFCR before publication.	See comment 2.389
2.398.	Association of British Insurers	3.477.	We do not think that it is appropriate that SFCR's should be published on a trade association's website where an insurer does not have its own website. This could be misinterpreted as the trade body giving a specific endorsement to those firms whose SFCRs appear on its website.	Noted
2.399.	CEA, ECO-SLV-09-453	3.477.	We do not think that it is appropriate that SFCR's should be published on a trade association's website where an insurer does not have its own website. This could be misinterpreted as the trade body giving a specific endorsement to those firms whose SFCRs appear on its website.	See comment 2.398
2.400.	German Insurance Association – Gesamtverb and der D	3.477.	We do not think that it is appropriate that SFCR's should be published on a trade association's website where an insurer does not have its own website. This could be misinterpreted as the trade body giving a specific endorsement to those firms whose SFCRs appear on its website.	See comment 2.398
2.401.	KPMG ELLP	3.477.	See 3.471	Noted..
2.402.				
2.403.	PricewaterhouseCoopers LLP	3.477.	See comments on paragraph 3.471.	Noted.
2.404.	Association of British Insurers	3.478.	It should be clarified that production of paper copies is necessary only where a firm does not have a website and so cannot provide copies in an electronic format.	Not agreed
2.405.			Confidential comment deleted	
2.406.	CRO Forum	3.478.	Applies also to 3.479.  We note that the proposal that a paper copy of the SFCR should be made available free of charge to any stakeholder who asks for one is onerous, especially for smaller undertakings. Existing public disclosures provided by	CEIOPS considers it appropriate to send SFCR copies to those who request it as it is a public document.

			the undertaking should be sufficient to be consistent with the Directive.	
2.407.	European Insurance CFO Forum	3.478.	Existing public disclosures provided by the undertaking should be sufficient to be consistent with the Directive.  Given the technologies available it is inappropriate to propose that the same information should all be available in hardcopy in any circumstances.  Consistent with the Directive, insurers should be able to rely on existing public disclosures, without copying, subject to sufficient explanation of timing differences and reconciliation features.	See comment 2.404
2.408.	Legal & General Group	3.478.	This seems to be contrary to recent developments whereby data is distributed over the net or a cut down version available in paper. If some countries really want paper then the “slimmed” down version available in the UK to shareholders should suffice.	See comment 2.404
2.409.				
2.410.	CRO Forum	3.479.	See 3.478	Noted.
2.411.	European Insurance CFO Forum	3.479.	Existing public disclosures provided by the undertaking should be sufficient to be consistent with the Directive.  Given the technologies available it is inappropriate to propose that the same information should all be available in hardcopy in any circumstances.  Consistent with the Directive, insurers should be able to rely on existing public disclosures, without copying, subject to sufficient explanation of timing differences and reconciliation features.	See comment 2.404
2.412.	German Insurance Association – Gesamtverb and der D	3.479.	See comment to 3.478.	Noted.
2.413.	Groupe Consultatif	3.479.	The option should be retained to allow organisation to make a modest charge to cover costs if they so choose (in the interest of fairness).	See comments 2.404 and 2.379
2.414.	Legal & General Group	3.479.	See 3.478	Noted.

2.415.	PricewaterhouseCoopers LLP	3.479.	See comments on paragraph 3.471.	Noted.
2.416.	KPMG ELLP	3.480.	We agree with an annual reporting requirement for the RTS subject to the requirement to report to the supervisor on the occurrence of certain predefined events. There should also be an overriding principle of open and honest communication with the supervisor.	Noted.
2.417.	Association of British Insurers	3.482.	Additional clarification is required on when the first reports under Solvency II are required and the extent to which earlier data needs to be restated onto a Solvency II basis.	It is expected that this will be for the financial year ends falling after the Directive comes into force.
2.418.	Association of Friendly Societies	3.482.	We agree that the RTS should be updated on an annual basis, but only with material changes.	Noted.
2.419.			Confidential comment deleted	
2.420.	KPMG ELLP	3.482.	<p>(a) Footnote 51 with respect to the date on which the requirements will come into force is an extremely important aspect together with any transitional provisions, eg regarding comparatives (how many year's comparatives will be required?). This point should be addressed as soon as possible to enable companies to efficiently prepare their systems.</p> <p>(b) We agree that in theory it should be possible for the qualitative aspects of the RTS to set only out material changes which have occurred since the previous RTS. This may however be difficult if any of these qualitative aspects fall within the scope of any audit opinion.</p>	<p>See comment 3.482 above.</p> <p>Noted.</p>
2.421.	Lloyd's	3.482.	We agree with the proposed frequency of the RTS but would like more guidance on what constitutes a 'material change'.	See Section 3.2.5 of the Advice
2.422.	OAC Actuaries and Consultants	3.482.	We agree that the RTS should be updated on an annual basis, but only with material changes.	Noted.
2.423.	PricewaterhouseCoopers LLP	3.482.	It would be helpful to understand the basis for CEIOPS' query to the European Commission set out in footnote 51 (i.e. why is there considered to be uncertainty as to whether undertakings have to comply with these	See comment 3.482.

			requirements on the first year end following the Directive's implementation?). CEIOPS should clarify at the earliest opportunity the date from which the reporting requirements will first apply.  We concur with the proposals that qualitative RTS information be limited to material changes on an ongoing basis.	
2.424.			Confidential comment deleted	
2.425.	KPMG ELLP	3.484.	We consider that a maximum period of five years between submissions of a full qualitative RTS is too long and suggest that a maximum period of three years is likely to be more appropriate.	CEIOPS disagrees.
2.426.	Association of Friendly Societies	3.485.	We agree that once every five years is sufficient for a full RTS.	Noted.
2.427.	European Union member firms of Deloitte Touche To	3.485.	3.485 & 3.486, explanatory notes refer to 'at least' disclosure but these requirements do not appear to be reflected in the draft Level 2 advice.	Not all white text is contained in Advice.
2.428.	Federation of European Accountants (FEE)	3.485.	<p>The information requirements of the RTS are partly of a static, partly of a dynamic nature. The static information requires a full initial submission and an overview of material changes in subsequent periods. Paragraph 3.485 of the Paper indicates which information is considered to be dynamic. We recommend performing a full analysis of which information is considered dynamic and which static, because the administrative and management approval process (and often the delivery process) is different.</p> <p>We note that part of the static information within the RTS has the character of (parts of) risk management and internal control on financial reporting manuals, risk/control matrices, internal audit charters, actuarial charters, mission statements, etc. We suggest that this information could be supplied in the form of an "electronic data room" designed to enable efficient maintenance of the required information, which includes a clear standardised reference trail and index of all approved changes.</p>	<p>All these aspects are for the undertakings to consider.</p> <p>Noted</p>

			<p>We also note that the updates on the static information are requested to be made available within three /four months after the end of the financial year. The “data room” type submission of this information would enable to better align the submission to the “organisational change management processes” (the changes due to revised strategies, new medium-term business plans, alignment of controls to external developments, etc.) and submit them after completion of the timetable of administrative or management approval procedures. This would enhance the supervisor’s insight in the “use” of the information submitted and reduce administrative burden, because the submission process can be aligned to the governance.</p>	Noted.
2.429.	OAC Actuaries and Consultants	3.485.	We agree that once every five years is sufficient for a full RTS.	Noted.
2.430.	KPMG ELLP	3.486.	We would expect changes to the system of governance to be reported to the supervisor as part of pre-defined events as well as being disclosed in the RTS.	Noted
2.431.	KPMG ELLP	3.487.	There should be an overall principle of open and honest dealings with the regulator	Noted
2.432.			Confidential comment deleted	
2.433.			Confidential comment deleted	
2.434.	KPMG ELLP	3.489.	We agree that the submission deadline for the RTS should be the same as the SFCR. See 3.4.67 also	Noted.
2.435.	Lloyd’s	3.489.	<p>This raises the same issues as the timetable for submission of the SFCR (see 3.467) To reiterate: although the RTS should be provided to the supervisor as expediently as possible, it is necessary to allow sufficient time for its preparation and proper review. There may be circumstances where, due to the structure of the undertaking, this may reasonably take longer and/or be more complex than for undertakings as a whole. National supervisors should be permitted to set a deadline for the submission of the RTS which is specific to an undertaking, as long as in no case does the deadline exceed six months after the year end.</p>	Noted.

			In any case, undertakings and groups will need time to develop and improve new delivery processes and we accordingly recommend that additional time for RTS submission be permitted in the early years of Solvency II implementation. We suggest that for the first five years after implementation the deadline is set as six months after the year end. Four months could be an appropriate deadline for the submission of the RTS in the longer term.	Refer our comments on point 2.345.
2.436.	PricewaterhouseCoopers LLP	3.489.	See comments on paragraph 3.467.	Noted.
2.437.	Dexia	3.490.	XBRL could be considered as common language, it will allow to have a free structure/layout.	See comments on 11.
2.438.	KPMG ELLP	3.490.	See 3.296	Noted.
2.439.	Association of British Insurers	3.491.	This response covers paragraphs 3.491 to 3.495. We agree with this advice. We believe that the timescale for submitting the RTS should be four months after the year-end. However, additional time may be needed in the early years of Solvency II as firms (and supervisors) develop the mechanisms for providing this information (and some additional time may also be needed to adapt the SFCR for the additional information in RTS).	Noted. See comment 2.345.
2.440.	Association of Friendly Societies	3.491.	See 3.482	Noted.
2.441.	Just Retirement Limited	3.491.	This seems like a sensible application of the proportionality principle. Proportionality is defined as the “nature”, “scale” and “complexity” of the organisation – however, further definitions are required of these terms in order to ensure they are consistently understood and applied across the EU.  The main aim of the proportionality principle is to ensure that the new regime is achievable for all companies – however, although this CP is strong on supporting proportionality there appears too little evidence of how this will apply in practice. Further guidance is necessary at Level 2 and 3.	Noted. .  This may be addressed under Level 3.
2.442.	KPMG ELLP	3.491.	See 3.482	Noted.
2.443.	OAC Actuaries and	3.491.	See 3.482	Noted.

	Consultants			
2.444.	Pearl Group Limited	3.491.	This response covers paragraphs 3.491 to 3.495. We agree with this advice. We believe that the timescale for submitting the RTS should be four months after the year-end.	Noted.
2.445.	PricewaterhouseCoopers LLP	3.491.	Our comments on materiality on paragraph 3.46 and 3.47 are relevant in this context.	Noted.
2.446.	UNESPA – Association of Spanish Insurers and Reins	3.491.	The insurance undertakings interpretation of “material change” can be a very ambiguous, and can lead to subjectivity, leading to a lag or excess in the information reported.	Materiality is set out in Section 3.2.5
2.447.	uniqua	3.491.	RTS: After setting up the first full report in the following reports there should be a chapter consisting of the major/material changes. So only the relevant parts of the full report will be modified and the reader doesn't have to go through the whole report looking for these changes.	Noted.
2.448.	Association of Friendly Societies	3.493.	See 3.485	Noted.
2.449.	CEA, ECO-SLV-09-453	3.493.	We propose a redrafting: A full report shall be submitted once in five years unless the defined events occurred. These defined events are: change in the nature of the insurer; significant changes in the composition of the group or insurer; and after a major breach of the MCR endured by the insurer.	CEIOPS disagrees.
2.450.	CRO Forum	3.493.	We propose the following:  A full report shall be submitted once in five years unless a defined event has occurred. Potential defined events are: change in the nature of the undertaking; significant changes in the composition of the undertaking; and after a major breach of the MCR by the undertaking.	See comment 2.449
2.451.	German Insurance Association	3.493.	We propose a redrafting: A full report shall be submitted once in five years unless the defined events occurred. These defined events are: change in the nature of the insurer; significant changes in the composition of the group or insurer; and after a major breach of the MCR endured by the insurer.	See comment 2.449



	- Gesamtverb and der D			
2.452.	KPMG ELLP	3.493.	See 3.484	Noted.
2.453.	OAC Actuaries and Consultants	3.493.	See 3.485	Noted.
2.454.	CEA, ECO-SLV-09-453	3.494.	<p>We propose that undertakings have at least 4 months to provide the supervisors the RTS.</p> <p>In our opinion the submission dates should be in line with accounting time lines and, if undertakings are under the scope of the Transparency Directive, the requirements of the Transparency Directive. The requirements should not be more restrictive.</p>	Noted. See comment 2.345.
2.455.	CRO Forum	3.494.	The proposed reporting timeline for annual reporting (ie 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	Noted. See comment 2.345.
2.456.	European Insurance CFO Forum	3.494.	The minimum period should be 4 months after the financial year-end.	Noted. See comment 2.345.
2.457.	FFSA	3.494.	<p>The CEIOPS requires that undertakings or groups shall provide the supervisory authority with an annual RTS within 3 or 4 [to be decided by CEIOPS prior to giving advice to the Commission] months after the end of the undertaking's financial year.</p> <p>FFSA proposes 4 months after the financial year end to provide the supervisory authority with an annual RTS</p>	Noted. See comment 2.345.
2.458.	German Insurance Association	3.494.	<p>We propose that undertakings have at least 4 months to provide the supervisors the RTS.</p> <p>In our opinion the submission dates should be in line with accounting time</p>	Noted. See comment 2.345.

	– Gesamtverb and der D		lines and, if undertakings are under the scope of the Transparency Directive, the requirements of the Transparency Directive. The requirements should not be more restrictive.	
2.459.	Institut des actuaires (France)	3.494.	A longer period for submission of the RTS should be allowed during the first years of the application of the Solvency II regime (transition relief).	Noted. See comment 2.345.
2.460.	Legal & General Group	3.494.	Timescales may prove difficult and we suggest that whilst those in 3.494 are aspirational this should be positioned as something to be reviewed by CEIOPS on an annual basis for 5 years, and reviewed each year to enable both regulators and firms to become used to the timeframe and possible simplification approaches needed to reach it.	Noted. See comment 2.345.
2.461.	Lloyd's	3.494.	See comment under 3.489.	Noted.
2.462.	PricewaterhouseCoopers LLP	3.494.	See comments on paragraph 3.467.	Noted.
2.463.	ROAM (Réunion des Organismes d'Assurance Mutue	3.494.	ROAM considers that the extension of 3 or 4 months for the publication of the RTS after the end of the financial year is too short. ROAM proposes an extension of 6 months. Or at least an extended period of 6 month only during the transition period.	Noted. See comment 2.345.
2.464.	uniga	3.494.	3-4 months are a short timeframe.	Noted. See comment 2.345.
2.465.	CEA, ECO-SLV-09-453	3.496.	We have supplied some preliminary comments to the suggested templates in the Annex D below. The analysis will be facilitated by the explanatory notes envisaged in future Level 3 regulation.  There should be quantitative templates available for solo undertakings and groups.	Noted.
2.466.	German	3.496.	We have supplied some preliminary comments to the suggested templates in	Noted.

	Insurance Association – Gesamtverb and der D		<p>the Annex D below. The analysis will be facilitated by the explanatory notes envisaged in future Level 3 regulation.</p> <p>There should be quantitative templates available for solo undertakings and groups.</p>	
2.467.	uniqua	3.496.	There should be quantitative templates be available for solo undertakings and groups.	Noted.
2.468.	Association of Friendly Societies	3.497.	<p>We do not agree with the proposal that returns should be submitted quarterly. The amount of work involved in reporting the MCR and SCR quarterly would mean that firms would be on a never-ending treadmill. The complexity of the calculations, even with a standard formula approach, let alone an internal model, is such that the 3 to 4 week deadline would be impractical. Our view is that annual reporting should be the standard requirement and that only firms which the regulator considers to be at risk should be subject to more frequent reporting, and even this needs to be tempered to ensure that the firm can spend time managing its business rather than producing endless regulatory reports.</p> <p>It is also not clear whether firms would be required to submit their “core data” at the year end in accordance with the quarterly timetable, or the annual timetable. A requirement which meant that part of the data had to be submitted within three weeks and the rest within three months would be complicated and likely to lead to duplication of effort.</p>	<p>CEIOPS disagrees. But more detail may be provided at Level 3.</p> <p>The intention is that core data will be provided at the year end in accordance with the quarterly submission timetable, followed by the annual data (some of which may be audited) to the annual submission timetable.</p>
2.469.			Confidential comment deleted	
2.470.	CRO Forum	3.497.	We would point out that quarterly reporting is very likely to represent additional cost to undertakings. The level of information required therefore needs to be carefully assessed.	Noted.

2.471.	Dexia	3.497.	Option 1 is unrealistic, option 2 is adequate.	Noted.
2.472.			Confidential comment deleted	
2.473.	OAC Actuaries and Consultants	3.497.	<p>We do not agree with the proposal that returns should be submitted quarterly. The amount of work involved in reporting the MCR and SCR quarterly would mean that firms would be on a never-ending treadmill. The complexity of the calculations, even with a standard formula approach, let alone an internal model, is such that the 3 to 4 week deadline would be impractical. Our view is that annual reporting should be the standard requirement and that only firms which the regulator considers to be at risk should be subject to more frequent reporting, and even this needs to be tempered to ensure that the firm can spend time managing its business rather than producing endless regulatory reports.</p> <p>It is also not clear whether firms would be required to submit their “core data” at the year end in accordance with the quarterly timetable, or the annual timetable. A requirement which meant that part of the data had to be submitted within three weeks and the rest within three months would be complicated and likely to lead to duplication of effort.</p>	<p>CEIOPS disagrees. But it is not expected that quarterly reporting will be published, being for supervisors only..</p> <p>See comment 2.468.</p>
2.474.	Lloyd’s	3.498.	We consider that quarterly reporting should not exceed that set out in the Framework Directive, i.e. an estimate of the MCR and anything else which is necessary to facilitate the supervisor’s understanding of this. This is to ensure that the quarterly reporting requirements strike the right balance between cost and benefit.	CEIOPS will determine the core data that is reported quarterly on that basis.
2.475.	PricewaterhouseCoopers LLP	3.498.	See our comments on paragraph 3.510 below.	Noted.
2.476.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.499.	<p>CEIOPS should give details on what data will be subject to external audit.</p> <p>We note that some elements of data delivery are likely to be subject to external audit. It will be important to define the scope of this requirement in the context of ensuring effective but efficient solvency supervision.</p>	See comment 2.479

2.477.	Association of British Insurers	3.499.	Any data that is to be audited needs to be confirmed as soon as possible to enable system changes to databases etc to be put in place. It should be recognised that auditable data will slow down the production of numbers and has to be factored into any practical timeline.	Noted. More guidance will be provided in Level 3.
2.478.			Confidential comment deleted	
2.479.	CEA, ECO-SLV-09-453	3.499.	We note that some elements of data delivery are likely to be subject to external audit.  It will be important to define the scope of this requirement in the context of ensuring effective but efficient solvency supervision. Audit requirements should be restrictive (see also 3.515.).	Noted. More guidance will be provided at Level 3.
2.480.	CRO Forum	3.499.	We note that some elements of data delivery are likely to be subject to external audit. It will be important to define the scope of this requirement in the context of ensuring effective but efficient solvency supervision. In addition the scope of any external audits in relation to the data should be communicated as early as possible.	See comment 2.479
2.481.	European Insurance CFO Forum	3.499.	The scope of any external audits in relation to the data should be communicated as early as possible.  The CFO Forum highlights that it is important to understand the scope of the external audit requirements for those relevant data items to ensure effective and efficient solvency supervision.	See comment 2.479
2.482.	German Insurance Association – Gesamtverb and der D	3.499.	CEIOPS should give details on what data will be subject to external audit.  We note that some elements of data delivery are likely to be subject to external audit. It will be important to define the scope of this requirement in the context of ensuring effective but efficient solvency supervision. Audit requirements should be restrictive (see also 3.515.).	See comment 2.479
2.483.	Legal & General Group	3.499.	Any data that is auditable needs to be confirmed by CEIOPS as soon as possible to enable system changes to databases, etc to be put in place. It should be recognised that auditable data will slow down the production of numbers and has to be factored into any practical timeline.	See comment 2.479
2.484.	AAS BALTA	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	Supervisors may examine the annual

				and equivalent quarterly data and may pursue material differences.
2.485.	AB Lietuvos draudimas	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.486.	DENMARK: Codan Forsikring A/S (10529638)	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.487.			Confidential comment deleted	
2.488.	KPMG ELLP	3.500.	(a) We agree with the proposals with respect to annual and quarterly quantitative financial reporting. However the meaning of 'core data' will need to be clearly defined.  (b) Given that the SCR is only required to determine if the MCR exceeds the SCR corridor, consideration could be given to only requiring this where the MCR was close to one of the limits at the last year end or when there has been a significant change in the risk profile.	Noted. This will be developed at Level 3.
2.489.	Link4 Towarzystwo Ubezpieczeń SA	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.490.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.491.	PricewaterhouseCoopers LLP	3.500.	See comments on paragraph 3.498	Noted
2.492.	RSA	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.

	Insurance Group PLC			
2.493.	RSA Insurance Ireland Ltd	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.494.	RSA - Sun Insurance Office Ltd.	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.495.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.500.	Footnote: Clarification on reliance to estimate and retrospective follow-up.	See comment 2.484.
2.496.	CEA, ECO-SLV-09-453	3.501.	See comment to 3.449.	See comment 2.303
2.497.	Danish Insurance Association	3.501.	It is difficult to know how the principle of proportionality will be exercised in relation to the information requirements as CEIOPS has postponed its decision on the extent to which the proportionality principle can be used in relation to the quantitative data required in the tables in Annex D to Level 3. (See also 3.449)	Noted
2.498.	KPMG ELLP	3.501.	The proportionality principle should be considered, in particular with regards to the private and public entities, solo and group levels etc	Noted.
2.499.			Confidential comment deleted	
2.500.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.503.	CEIOPS will consult in a further stage on the quantitative requirements templates for groups: If there are separate quantitative templates for the groups it is important that CEIOPS send out these templates as soon as possible as well (or at least drafts) since some undertakings already have started analysing the data/information that is included in the reporting templates and what impact it might have on the IT systems to retrieve the information. If there are any additional information/data that is required for the quantitative reporting templates for the groups it is essential that this information is shared as soon as possible.	See comment 2.502

2.501.	Association of Friendly Societies	3.503.	We consider that the requirement to publish group information quarterly is even more impractical. It is particularly important to note that the consolidation of information and group level can take a considerable time, and that the 3-4 week proposed deadline for group information is even more impractical than for a solo entity.	.See comment 2.473
2.502.	CEA, ECO-SLV-09-453	3.503.	Ceiofs will consult at a further stage on the quantitative requirements' templates for groups: If there are separate quantitative templates for the groups it is important that Ceiofs send out these templates as soon as possible as well (or at least drafts) since some undertakings already have started analysing the data/information that is included in the reporting templates and what impact it might have on the IT systems to retrieve the information. If there are any additional information/data that is required for the quantitative reporting templates for the groups it is essential that this information is shared as soon as possible.	Noted. The intention is that, as far as possible, the same templates will be used whether solo or group reporting is involved.
2.503.	CRO Forum	3.503.	We would asks that any separate quantitative reporting templates for group (draft or otherwise) are provided to undertakings as soon as possible.	See comment 2.502
2.504.	European Insurance CFO Forum	3.503.	Any separate quantitative reporting templates for group (draft or otherwise) need to be provided to undertakings as soon as feasibly possible.  The CFO Forum highlights it is important to review or receive any separate group quantitative reporting templates as early as possible to determine the IT requirements needed for completion of the template. These include any draft versions available as well.	See comment 2.502
2.505.	OAC Actuaries and Consultants	3.503.	We consider that the requirement to publish group information quarterly is even more impractical. It is particularly important to note that the consolidation of information and group level can take a considerable time, and that the 3-4 week proposed deadline for group information is even more impractical than for a solo entity.	See comment 2.473.
2.506.	PricewaterhouseCoopers LLP	3.503.	Where a separate set of quantitative reporting templates is required for group reporting, our comments on paragraph 3.467 with respect to group deadlines will apply.  See also paragraph 3.10.	Noted.



2.507.	KPMG ELLP	3.504.	Comments are provided below on the individual draft templates.	Noted.
2.508.	AAS BALTA	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	Noted.
2.509.	AB Lietuvos draudimas	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.510.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.506.	See comment to 3.511.	Noted.
2.511.			Confidential comment deleted	
2.512.	Belgian Coordination Group Solvency II (Assuralia/	3.506.	Flexibility and great understanding for insurers operating problems will be required from the regulator during the first exercise.	Noted.
2.513.	CEA, ECO-SLV-09-453	3.506.	See comment to 3.511.	Noted.
2.514.	CRO Forum	3.506.	We consider that the proposed reporting timeline for annual reporting (ie 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	Noted. See revised advice in this respect..
2.515.	DENMARK: Codan Forsikring A/S (10529638)	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508

2.516.	European Insurance CFO Forum	3.506.	Comments in 3.467 are also relevant here.	Noted.
2.517.	Link4 Towarzystw o Ubezpieczeń SA	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.518.	Lucida plc	3.506.	We agree that a submission date 4 months after financial year end is achievable	Noted.
2.519.	Munich RE	3.506.	MR considers that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	See comment 2.514.
2.520.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.521.	PricewaterhouseCoopers LLP	3.506.	See comments on paragraph 3.467.	Refer our comments against 3.467.
2.522.	RSA Insurance Group PLC	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.523.	RSA Insurance Ireland Ltd	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.524.	RSA - Sun Insurance	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508

	Office Ltd.			
2.525.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.506.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements.	See comment 2.508
2.526.	AAS BALTA	3.507.	The quarterly deadlines are not achievable.	CEIOPS disagrees, but has introduced some transitional advice
2.527.	AB Lietuvos draudimas	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.528.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.507.	We consider that the reporting timeline for quarterly figures submissions is unrealistic.  In addition, the requirement to provide quarterly data no later than 3 or 4 weeks is not in line with the requirements as set out in the “Transparency Directive”. We suggest aligning these requirements.	See comment 2.526
2.529.			Confidential comment deleted	
2.530.	CRO Forum	3.507.	We consider that the reporting timeline for quarterly figures submissions is too aggressive. A minimum of eight weeks after the end of the quarter should be allowed.	See comment 2.526
2.531.	DENMARK: Codan Forsikring A/S (10529638)	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.532.				
2.533.	European Insurance CFO Forum	3.507.	Comments in 3.510 are also relevant here.	Noted.
2.534.	German Insurance	3.507.	We consider that the reporting timeline for quarterly figures submissions is unrealistic.	See comment 2.526

	Association – Gesamtverb and der D		In addition, the requirement to provide quarterly data no later than 3 or 4 weeks is not in line with the requirements as set out in the “Transparency Directive”. We suggest aligning these requirements.	
2.535.	KPMG ELLP	3.507.	The proposed timeframe of 3-4 weeks appears quite demanding, in particular for companies using internal models	See comment 2.526
2.536.	Link4 Towarzystw o Ubezpieczeń SA	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.537.	Lloyd’s	3.507.	<p>We consider that although the RTS quarterly reporting templates should be provided to the supervisor as expediently as possible, it is necessary to allow sufficient time for preparation and proper review of these. Also, ideally, the information reported at the quarter end should be current at the quarter end ie not simply based on a ‘roll forward’ of the previous month end’s data due to time constraints.</p> <p>In general, a deadline of 3 – 4 weeks after the quarter end seems extremely tight and we propose that the ‘standard’ deadline is two months after the quarter end.</p> <p>There may also be circumstances where, due to the structure of the undertaking, this may reasonably take longer and/or be more complex than for undertakings as a whole. National supervisors should therefore be permitted to set a deadline for the submission of the RTS which is specific to that undertaking, as long as in no case does the deadline exceed three months after the quarter end.</p> <p>In any case, undertakings and groups will need time to develop and improve new delivery processes and we accordingly recommend that additional time be permitted in the early years of Solvency II implementation; we recommend that for the first five years after implementation the deadline for quarterly reporting is set as three months after the quarter end.</p>	<p>See comment 2.526</p> <p>Noted, but CEIOPS has proposed a transitional period of 2 years..</p>
2.538.	Lucida plc	3.507.	We believe that organisations will require at least 4 weeks after the quarter end in order to complete quarterly reporting templates.	Noted.

2.539.	Munich RE	3.507.	The reporting timeline for quarterly-figure submissions is too aggressive. A minimum of six to eight weeks after the end of the quarter should be allowed. Groups should be allowed more time than solo entities.	See comment 2.526
2.540.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.541.	RSA Insurance Group PLC	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.542.	RSA Insurance Ireland Ltd	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.543.	RSA - Sun Insurance Office Ltd.	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.544.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.507.	The quarterly deadlines are not achievable.	See comment 2.526
2.545.	uniqa	3.507.	General: 3-4 weeks are an extreme short timeframe and this should be extended to 6 weeks For a groups there should be additional 2 weeks for aggregation, consolidation and check tasks be included.	See comment 2.526
2.546.	Dexia	3.509.	We believe it could be useful to report under XBRL, allowing large flexibility and comparability of the reports.	See comments on 11.
2.547.	Lloyd's	3.509.	It should be recognised that undertakings vary in structure and thus 'national specificities' in the reporting templates should be permitted in exceptional cases in order to permit the most meaningful presentation of the data for such undertakings.	Noted. CEIOPS aims to harmonise the reporting requirements.

2.548.	AAS BALTA	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.549.	AB Lietuvos draudimas	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.550.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.510.	<p>We do not think that 3-4 weeks is an appropriate timeframe for reporting quarterly quantitative reporting templates. We think that the timeframe should be 6-8 weeks after the quarter end.</p> <p>In order to have an efficient system it should be ensured that the quarterly reporting will consist of only relevant main templates and not as detailed information as in the full annual reports.</p>	See comment 2.526
2.551.	Association of British Insurers	3.510.	We do not think that the proposed timetable of three or four weeks after the quarter end is realistic. We believe that at least six weeks after the quarter end should be allowed to submit quarterly data. This is needed to ensure proper due process, particularly to ensure proper Board approval of the information.	See comment 2.526
2.552.	Association of Friendly Societies	3.510.	We consider that this is entirely unrealistic and unreasonable. The amount of work involved in reporting the MCR and SCR quarterly would mean that firms would be on a never-ending treadmill. The complexity of the calculations, even with a standard formula approach, let alone an internal model, is such that the 3 to 4 week deadline would be impractical. Our view is that annual reporting should be the standard requirement and that only firms which the regulator considers to be at risk should be subject to more frequent reporting, and even this needs to be tempered to ensure that the firm can spend time managing its business rather than producing endless regulatory reports.	See comment 2.526
2.553.			Confidential comment deleted	
2.554.	CEA, ECO-SLV-09-453	3.510.	<p>We do not think that 3-4 weeks is an appropriate timeframe for reporting quarterly quantitative reporting templates. We think that the timeframe should be 6-8 weeks after the quarter end.</p> <p>This is needed to ensure proper due process, particularly to ensure proper Board approval of the information.</p> <p>In order to have an efficient system it should be ensured that the quarterly</p>	See comment 2.526

			reporting will consist of only relevant main templates and not as detailed information as in the full annual reports.	
2.555.	CRO Forum	3.510.	<p>We consider that the reporting timeline for quarterly figures submissions is too aggressive. A minimum of eight weeks after the end of the quarter should be allowed.</p> <p>Under the proposed timelines, the Q1 quantitative templates are being published at the same time as the year-end full reporting exercise. The timeline should be revisited to be realistic for the significant increase in work that is required by companies and the coincidence with IFRS and local GAAP accounting at the year-end.</p> <p>The ability of multinational groups to deliver to the proposed reporting timelines will be influenced by input from overseas territories and their own local reporting timelines. Currently, local regulatory deadlines are not aligned across the EU.</p>	See comment 2.526
2.556.	Danish Insurance Association	3.510.	The requirement to report quarterly no later than 3-4 weeks after the quarter ends is shorter than the deadline for the half-yearly accounting reports. These should be aligned.	See comment 2.526
2.557.	DENMARK: Codan Forsikring A/S (10529638)	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.558.	European Insurance CFO Forum	3.510.	<p>Quantitative reporting template deadlines after each quarter end are unrealistic. Instead, template content should be based on a roll forward of the last model run to the respective quarter end.</p> <p>The timelines are unrealistic. It takes more than 3-4 weeks to complete a full re-parameterisation and re-run of the internal model hence it will be impossible to produce quantitative templates in 3-4 weeks after each quarter end.</p> <p>Quantitative reporting templates would need to be based on the last model run being used in the business rolled forward to the quarter end.</p>	See comment 2.526

			<p>The proposed timelines of the Q1 quantitative template should be revisited given the significant increase in work during this period due to year-end full reporting deadlines.</p> <p>Under the proposed timelines, the Q1 quantitative templates are being published at the same time as the year-end full reporting exercise, although the 3-4 months timeline is also unrealistic given that consolidated and local financial reporting takes up most of the first quarter of the year.</p> <p>The timeline should be revisited to be realistic for the significant increase in work that is required by companies and the coincidence with IFRS and local GAAP accounting at the year-end.</p> <p>For multinational groups, the ability to deliver to the proposed reporting timelines is influenced by local regulatory deadlines across the EU.</p> <p>The ability of multinational groups to deliver to the proposed reporting timelines will be influenced by input from overseas territories and their own local reporting timelines. Currently, local regulatory deadlines are not aligned across the EU.</p>	
2.559.	FFSA	3.510.	See comment 2.526	Noted.
2.560.			Confidential comment deleted	
2.561.	German Insurance Association – Gesamtverb and der D	3.510.	<p>We do not think that 3-4 weeks is an appropriate timeframe for reporting quarterly quantitative reporting templates. We think that the timeframe should be 6-8 weeks after the quarter end.</p> <p>This is needed to ensure proper due process, particularly to ensure proper Board approval of the information.</p> <p>In order to have an efficient system it should be ensured that the quarterly reporting will consist of only relevant main templates and not as detailed information as in the full annual reports. We propose that also the timeframe for quarterly submissions should also be aligned with accounting timelines.</p>	See comment 2.526
2.562.	KPMG ELLP	3.510.	See 3.507	Noted.



2.563.	Legal & General Group	3.510.	To achieve a monthly reporting timeframe following a quarter end there has to be a recognition that these must involve simplification, prior month closes with a roll forward and other techniques. Special factors may impact the quarter end where data is released to the markets. There may also be local market factors to consider. Also applies to section 3.511 and 3.512.	See comment 2.526
2.564.	Link4 Towarzystwo Ubezpieczeń SA	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.565.	Lloyd's	3.510.	See comment under 3.507.	Noted.
2.566.	Munich RE	3.510.	The reporting timeline for quarterly-figure submissions is too aggressive. A minimum of six to eight weeks after the end of the quarter should be allowed. Groups should be allowed more time than solo entities.	See comment 2.526
2.567.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.568.	OAC Actuaries and Consultants	3.510.	We consider that this is entirely unrealistic and unreasonable. The amount of work involved in reporting the MCR and SCR quarterly would mean that firms would be on a never-ending treadmill. The complexity of the calculations, even with a standard formula approach, let alone an internal model, is such that the 3 to 4 week deadline would be impractical. Our view is that annual reporting should be the standard requirement and that only firms which the regulator considers to be at risk should be subject to more frequent reporting, and even this needs to be tempered to ensure that the firm can spend time managing its business rather than producing endless regulatory reports.	See comment 2.526
2.569.	Pearl Group Limited	3.510.	We do not think that the proposed timetable of three or four weeks after the quarter end is realistic. We believe that at least six weeks after the quarter end should be allowed to submit quarterly data. This is needed to ensure proper due process, particularly to ensure proper Board approval of the information.	See comment 2.526

2.570.	PricewaterhouseCoopers LLP	3.510.	<p>We understand that the provision of quarterly reporting may be of benefit to the supervisory process, and we concur that the Directive's requirement to report the MCR quarterly should be met (see paragraph 4.498).</p> <p>However, we would note that reporting on a quarterly basis will represent an increase in frequency and workload for undertakings in some territories. The content and timing of quarterly reporting should therefore be assessed to ensure that it is proportionate and justified by the benefit it will provide to the supervisory process.</p> <p>Submission of these templates 3 – 4 weeks after quarter end may be a very demanding deadline for some undertakings in some territories, especially those for whom quarterly reporting is a new requirement, and may require automation of the reporting process.</p> <p>We consider that the following questions would benefit from clarification:</p> <p><input type="checkbox"/> Will quarterly reporting templates be required for Q4? If so, the templates will be required to be prepared several months in advance of the annual quantitative reporting templates, and will require undertakings to devote resources during the busy period of closing ledgers and preparing statutory accounting information.</p> <p><input type="checkbox"/> Where an annual deadline of 4 months after year end is used, undertakings will be preparing their Q1 and annual templates simultaneously – would it be appropriate to avoid the coincidence of reporting deadlines?</p> <p><input type="checkbox"/> Will any data analysis from the quarterly reported data be made available to the industry and national supervisors?</p> <p>See also comments on paragraph 3.498.</p>	<p>See comment 2.526</p> <p>See comment 2.468</p> <p>Note the new transitional provisions.</p> <p>Undertakings are free to submit data ahead of the proposed deadlines</p> <p>Quarterly data will be available for supervisors but it is not envisaged it will be public.</p>
2.571.	ROAM (Réunion des Organismes d'Assurance Mutue	3.510.	<p>ROAM considers that the extension of 3 or 4 weeks for the publication of the quarterly QTR after the end of the quarter is too short. ROAM proposes an extension of at least 5 weeks.</p>	See comment 2.526
2.572.	RSA Insurance	3.510.	<p>The quarterly deadlines are not achievable.</p>	See comment 2.526

	Group PLC			
2.573.	RSA Insurance Ireland Ltd	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.574.	RSA - Sun Insurance Office Ltd.	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.575.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	3.510.	The quarterly deadlines are not achievable.	See comment 2.526
2.576.	XL Capital Ltd	3.510.	The proposed 3 to 4 elapsed weeks to publish the quarterly quantitative templates after the end of each quarter are unrealistic.	See comment 2.526
2.577.	AAS BALTA	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	Noted
2.578.	AB Lietuvos draudimas	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.579.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.511.	<p>We propose that the timeframe for annual quantitative reporting templates is 4 months after the year end.</p> <p>We consider that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.</p>	See comment 2.583.
2.580.	Association of British Insurers	3.511.	We believe that the timetable for reporting annual quantitative reporting template information should be four months.	See comment 2.583
2.581.			Confidential comment deleted	
2.582.	Bupa	3.511.	The year end process and time scales have clearly not been thought through	See comment 2.570

			<p>within the context of a group.</p> <p>Let's assume a group currently closes accounts within 4 or 5 weeks of year end and releases their annual statements within four months. Will supervisors actually be able to review and where required approve the group solvency assessment, and intra-group transaction and risk assessment, the Solvency and Financial Condition Reports at solo and group levels within the time scale? And doing this while coordinating interactions within the college of supervisors?</p> <p>Is the "solo bias" in CP 58 and consequential effort involved appropriate in a group context? It may be more suitable to work the other way around (groups then solo). We have not even seen the templates for groups yet.</p> <p>The process described (including that process described in paragraph 3.257 CP 60) would be unrealistic in 2012 and probably a few years after that. Conceivably over time the college of supervisors' understanding of a group will become routine, the content of the SCFR stable from year to year, etc.</p> <p>CEIOPS needs to think carefully about this to avoid a chaotic transition process.</p>	
2.583.	CEA, ECO-SLV- 09-453	3.511.	<p>We propose that the timeframe for annual quantitative reporting templates is 4 months after the year end.</p> <p>We consider that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.</p>	<p>Noted. See revised paragraph.</p> <p>See new paragraphs on transitional reporting for two years</p>
2.584.	CRO Forum	3.511.	<p>We consider that the proposed reporting timeline for annual reporting (ie 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.</p>	See comment 2.583.
2.585.	DENMARK: Codan Forsikring A/S	3.511.	<p>Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements</p>	See comment 2.578

	(10529638)			
2.586.	European Insurance CFO Forum	3.511.	Comments in 3.510 are also relevant here.	Noted.
2.587.	FFSA	3.511.	The CEIOPS requires that annual quantitative reporting templates information shall be reported no later than 3 or 4 [to be determined by CEIOPS before Level 2 advice to the Commission] months after the year end.  FFSA proposes 4 months after the financial year end to report the annual QRT.	See comment 2.583.
2.588.			Confidential comment deleted	
2.589.	German Insurance Association – Gesamtverband der D	3.511.	We propose that the timeframe for annual quantitative reporting templates is 4 months after the year end.  We consider that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation.	See comment 2.583.
2.590.	Legal & General Group	3.511.	See 3.510	Noted.
2.591.	Link4 Towarzystw o Ubezpieczeń SA	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.592.	Lloyd's	3.511.	See comment under 3.489.	Noted.
2.593.	Munich RE	3.511.	MR considers that the proposed reporting timeline for annual reporting (i.e. 4 months after financial year-end) is feasible in the longer term. However undertakings and groups need time to develop and improve new delivery processes and additional time will certainly be needed in the early years of Solvency II implementation. Groups should be allowed more time than solo	See comment 2.583.

			entities.	
2.594.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.595.	Pearl Group Limited	3.511.	We believe that the timetable for reporting annual quantitative reporting template information should be four months.	See comment 2.583.
2.596.	Pricewaterho useCoopers LLP	3.511.	See comments on paragraph 3.467.	Noted.
2.597.	ROAM (Réunion des Organismes d'Assurance Mutue	3.511.	ROAM considers that the extension of 3 or 4 months for the publication of the annual QTR after the end of the year is too short. ROAM proposes an extension of 6 months. Or at least an extended period of 6 month only during the transition period.	CEIOPS disagrees But see comment 2.583.
2.598.	RSA Insurance Group PLC	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.599.	RSA Insurance Ireland Ltd	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.600.	RSA - Sun Insurance Office Ltd.	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578
2.601.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.511.	Achievability is impacted by level of the reporting as covered in 3.42 solo reporting requirements	See comment 2.578

2.602.	Danish Insurance Association	3.512.	Approve of all quantitative reporting templates by the administrative or management body will cause problems with regard to the suggested deadline of 3 or 4 weeks after quarter end.	See comment 2.583.
2.603.	DIMA (Dublin International Insurance & Management	3.512.	Annual RTS on material changes: will captive entities qualify as undertakings that will NOT be subject to an annual detailed assessment as part of SRP?	That is for individual supervisory authorities to determine in the precise circumstances of each undertaking
2.604.	European Insurance CFO Forum	3.512.	Comments in 3.510 are also relevant here.	Noted.
2.605.	Legal & General Group	3.512.	See 3.510	Noted.
2.606.			Confidential comment deleted	
2.607.	CRO Forum	3.513.	We would point out that, while it is too early to reach conclusions regarding external audit involvement, it should be noted that this is an important aspect for businesses and is likely to incur additional costs. For example even if audit is not required for quarterly information, firms may wish to ask for additional assurance from external auditors before providing the information to regulators.	Noted.
2.608.	ECIROA	3.513.	It is very important to distinguish the different duties of the Supervisor and the External Auditor. to make sure that the auditor do not need to add an actuary to their teams.... I do not know either what to write here. Will talk to KPMG to hear their opinion... HR opinion: talking to KPMG will obviously produce an opinion that they have to add an actuary. That is a bad idea, as we all know. What we should write here is that Ccaptives employ actuaries where required by the business they write or the supervisor, and these actuaries are often independent from the management companies, thereby providing an additional independent opinion on the captive's business practices.	The use of experts like actuaries in the work of external auditors is provided by the International Standards on Auditing and is in some cases mandatory to be compliant with these standards.
2.609.	KPMG ELLP	3.513.	This paragraph refers to 'tentative discussions' with respect to mandating sign of by an external auditor. This is a very significant area which has been left open in CP 58. The position should be clarified as soon as possible in order that international / national auditing standards and guidance can be	Noted.

			developed to enable both (re)insurance undertakings/insurance groups and auditing firms to be in a position to meet the requirements. We recommend that CEIOPS continues to work closely with FEE (Federation des Experts Comptables Europeen, the representative body for the accountancy profession in Europe) to address this issue and publish further consultation papers as soon as possible.	
2.610.	AAS BALTA	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	Noted
2.611.	AB Lietuvos draudimas	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.612.	DENMARK: Codan Forsikring A/S (10529638)	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.613.	Link4 Towarzystw o Ubezpieczeń SA	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.614.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.615.	RSA Insurance Group PLC	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.616.	RSA Insurance Ireland Ltd	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.617.	RSA - Sun Insurance	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.



	Office Ltd.			
2.618.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.514.	The group will incur additional audit costs for review of Regulatory Returns.	See comment 2.610.
2.619.	Belgian Coordination Group Solvency II (Assuralia/	3.515.	See general comment.	See comment 3.136.
2.620.	CEA, ECO-SLV- 09-453	3.515.	It is important to decide at Level 2 whether supervisory reporting requirements will be subject a sign-off by an external auditor.  Ceioms states that the decision on whether supervisory reporting requirements will be subject a sign-off by an external auditor is left to Level 3. We think that it is important to make this decision at Level 2 in order to ensure harmonisation. Furthermore we think that external audit involvement should be minimised. See also comment to 3.516.	CEIOPS believes this should be addressed at Level 3
2.621.	DIMA (Dublin International Insurance & Management	3.515.	CEIOPS is not providing clear conclusions on what would be subject to external audit. For captives this may affect costs if auditors are expected to audit the reporting templates.	This will be addressed at Level 3
2.622.	German Insurance Association – Gesamtverb and der D	3.515.	CEIOPS states that the decision on whether supervisory reporting requirements will be subject a sign-off by an external auditor is left to Level 3. We think that it is important to ensure harmonisation. Furthermore we think that external audit involvement should be minimised. Information currently under the scope of the statutory audit should be considered to ensure limiting extra efforts. We note that today's approaches of the scope of external assurance on regulatory returns is not common among Member States and that where is limited external audit involvement in some Member States (e. g. France, Germany, Italy).	Noted.

			See also comments to 3.516 - 3.518.	
2.623.	KPMG ELLP	3.515.	We agree that it is appropriate to subject some of the supervisory reporting and public disclosure requirements to an external audit. However there are a number of matters that need to be resolved in relation to the form of audit opinion. This is articulated in the ICAEW response, so we do not set out these issues here.	Noted
2.624.	Lloyd's	3.515.	We do not consider that the extra cost of an external audit will translate to commensurate benefit in relation to the qualitative returns. Any proposal to require external audit of quantitative data should be reviewed very carefully to ensure a correct balance between cost and benefit.	CEIOPS disagrees. It will be identified within the Impact Assessment work being undertaken by consultants on behalf of the EC, as set out in Annex A
2.625.	PricewaterhouseCoopers LLP	3.515.	<p>We agree, in principle, with CEIOPS' assessment that some but not all reporting should be subject to external audit. External assurance is a valuable tool to give supervisors and other users confidence over the reported data. However, external audit requirements do impose a time and cost on undertakings. Focusing the external audit on those areas where assurance will be of most benefit to the industry is therefore a proportionate response. In case the information that it not subject to public disclosure, CEIOPS should consider the level of assurance that the supervisor can obtain itself or from other sources in determining the benefit of audit.</p> <p>We note that some data reported in the SFCR and RTS may also be contained in the statutory financial statements and so will already be subject to external audit. The incremental cost of auditing this information for the purpose of regulatory disclosures will therefore be lower than the audit of information not already subject to audit in some form, and CEIOPS should take this into consideration in assessing the cost/benefit of external assurance over the regulatory disclosures.</p> <p>We note that CEIOPS views on what may be subject to external audit are currently tentative. We believe it is important that both preparers and potential auditors of information have an opportunity to be fully consulted on CEIOPS final proposals. Consideration will need to be given to the "auditability" of the proposed information (including any qualitative information within the scope of the auditors' work) in absolute terms as well as the relative costs and</p>	Noted

			<p>benefits of requiring an audit (or other form of external assurance). There will need to be clarity on precise scope of external assurance work to be performed and the form and addressee of the assurance report to be issued.</p> <p>Any required external assurance from auditors should be clearly defined by reference to relevant professional standards (e.g. International Auditing Standards (IAS) or International Standards on Review Engagements (ISRE) issued by the International Auditing and Assurance Standards Board). In addition, consideration should be given to whether any reporting by external auditors should be private reporting to supervisors or public reporting on elements of the SFCR (including quantitative templates forming part of the SFCR).</p> <p>We concur that the issue of the extent and nature of external assurance over internal models that it is possible, appropriate and proportionate to provide requires further discussion. The information identified for audit in paragraph 3.517 does not include any external assurance requirement on the SCR where it has been derived from an internal model (contrasting with the planned audit of the SCR derived from the standard formula). We note that supervisors will have been through a process to approve internal models prior to their use and the approval process (and subsequent supervisory monitoring) may mean that supervisors already have comfort over many aspects of the internal model which it would not therefore be proportionate to duplicate via external audit reporting purposes. However, supervisors may require some form of external assurance over the application of the model at the period end, including the accurate reflection of the results of the model in the quantitative reporting templates.</p> <p>This comment applies also to B2B.</p>	
2.626.	XL Capital Ltd	3.515.	We welcome additional guidance from CEIOPS on whether supervisory reporting requirements will be subject to an external audit or not.	See comment 2.620.
2.627.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.516.	<p>We strongly agree that there should be no requirement of external audit for quarterly reported quantitative information.</p> <p>External audit could be a substantial cost and the requirements should therefore be limited. For many yearly figures reconciliation can be made to figures which are already audited in the annual accounts.</p>	See comment 2.628

2.628.	Association of Friendly Societies	3.516.	We agree that quarterly templates should not be externally audited as this would make the proposed deadlines even more unachievable. However we do not believe that quarterly information should be submitted. See para 3.497	At this stage CEIOPS does not propose a quarterly audit..
2.629.				
2.630.	CEA, ECO-SLV-09-453	3.516.	We strongly agree that there should be no requirement of external audit for quarterly reported quantitative information.  External audit could be a substantial cost and the requirements should therefore be limited. For many yearly figures reconciliation can be made to figures which are already audited in the annual accounts.	See comment 2.628.
2.631.	CRO Forum	3.516.	We strongly agree that quarterly reported figures should not be subject to external audit.	See comment 2.627
2.632.	European Insurance CFO Forum	3.516.	The CFO Forum strongly agrees that quarterly reporting template figures should not be subject to external audit.	See comment 2.627
2.633.	German Insurance Association – Gesamtverb and der D	3.516.	We strongly agree that there should be no requirement of external audit for quarterly reported quantitative information.  External audit could be a substantial cost and the requirements should therefore be limited. Otherwise, the tight timelines for quarterly reporting would be endangered. For many yearly figures reconciliation can be made to figures which are already audited in the annual accounts.  See also comment to 3.517.	See comment 2.627
2.634.	Investment & Life Assurance Group (ILAG)	3.516.	We agree that quarterly templates should not be externally audited as this would make the proposed deadlines unachievable.	See comment 2.627
2.635.	Legal &	3.516.	We strongly agree that quarterly reporting template figures should not be	See comment 2.627

	General Group		subject to external audit	
2.636.	Lloyd's	3.516.	We agree that there should be no requirement of external audit for quarterly reported quantitative information.	See comment 2.627
2.637.	Lucida plc	3.516.	We agree that quarterly reporting templates should not be subject to audit. Such a requirement would significantly increase the time required for submission. We agree that the key annual quantitative reporting template should be audited.	See comment 2.627
2.638.	Munich RE	3.516.	Munich Re strongly agrees that quarterly reported figures should not be subject to external audit.	See comment 2.627
2.639.	OAC Actuaries and Consultants	3.516.	We agree that quarterly templates should not be externally audited as this would make the proposed deadlines even more unachievable. However we do not believe that quarterly information should be submitted. See para 3.497	See comment 2.627
2.640.	PricewaterhouseCoopers LLP	3.516.	We concur that it would not be proportionate to require quarterly quantitative reporting templates to be subject to audit as a matter of course.	See comment 2.627
2.641.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.517.	<p>We are concerned that the scope of data proposed as being subject to external audit is extensive and needs to be reviewed. It will be important to define the scope in the context of ensuring effective but efficient solvency supervision.</p> <p>It is questionable whether the Level 1 text supports these suggestions of far reaching requirements on external audit. In other words are there in the directive, in addition to the limited requirements in Article 71, any requirements on external audit or implementing measures in this regard? If not, we believe that the suggestion by CEIOPS is too far reaching and not supported by the Level 1 text.</p>	See comment 2.643.
2.642.			Confidential comment deleted	
2.643.	CEA, ECO-SLV-	3.517.	<p>We are concerned that the scope of data proposed as being subject to external audit is extensive and needs to be reviewed.</p> <p>It will be important to define the scope in the context of ensuring effective but</p>	See comment 2.610.

	09-453		<p>efficient solvency supervision.</p> <p>It is questionable whether the Level 1 text supports these suggestions of far reaching requirements on external audit. In other words are there in the directive, in addition to the limited requirements in Article 71, any requirements on external audit or implementing measures in this regard? If not, we believe that the suggestion by Ceiops is too far reaching and not supported by the Level 1 text.</p>	CEIOPS disagrees.
2.644.	CRO Forum	3.517.	We are concerned that the scope of data proposed as being subject to external audit is extensive and needs to be reviewed. It will be important to define the scope in the context of ensuring effective but efficient solvency supervision.	See comment2.643
2.645.	Danish Insurance Association	3.517.	To the extent that figures are identical with the figures in the annual report external audit should be based on the existing audited figures.	Noted
2.646.	European Insurance CFO Forum	3.517.	<p>The scope of data that is proposed to be included in an external audit is extensive.</p> <p>The CFO Forum believes the above needs to be considered in context with ensuring an effective yet efficient solvency supervisory process and cost-benefit analysis. Besides it remains unclear whether CEIOPS is considering an audit with an opinion or a review.</p>	<p>See comment2.642</p> <p>This is likely to be addressed at level 3.</p>
2.647.	German Insurance Association – Gesamtverb and der D	3.517.	<p>Scope of external audit should not be too extensive.</p> <p>We are concerned that the subset of data proposed as being subject to external audit is extensive and needs to be reviewed carefully. It will be important to define the scope in the context of ensuring effective but efficient solvency supervision. We agree that external audit would provide assurance for undertakings (e. g. their board members) and supervisors as to the accuracy of data and/or calculations. However, we consider it practically not possible to subject to external audit almost all data. For example, we have doubts that outputs from an internal model could be reliable externally audited.</p>	See comment2.642

			<p>We also see the problem that the capability to undertake all the additional work within the submission timelines being envisaged by CEIOPS would be not easily provided by the auditing profession. There would be risk that supervisors will not receive the data in a timely manner.</p> <p>We are not convinced that the Level I text provides a sufficient legal basis for extensive external audit requirements.</p> <p>The Level 1 text does not support CEIOPS' tentative suggestions of far reaching requirements on external audit. Recital 43 only requires that the MCR "it is based on the data which can be audited." Article 127 requires that the MCR "is calculated ... in such a way as to ensure that the calculation can be audited." These two references in the Level I text do not ask for mandatory external audits of information for reporting purposes. The scope of data and calculations where the possibility of a check of internal and/or external audit has to be granted is limited to the MCR. Auditors have to inform supervisors of certain aspects of which they have become aware while carrying out of auditing the statutory audit (see Article 71) – again there are no requirements for a "supervisory audit". There are also no implementing measures foreseen which specify the scope of the external audit (only possibility via Level III guidance).</p> <p>SCR calculations should not be subject to external audit.</p> <p>We do not see the need to externally audit the SCR calculations unless the undertaking deems it necessary to have this additional assurance. The standard formula is described in detail and partial or full internal models are already certified. External audit of the SCR calculations would put great burden to the undertakings without additional benefit for them, because the SCR calculations entail a very broad spectrum of data which is explicitly or implicitly needed to do the calculations. Especially if partial or full internal models were used, the scope of data to be audited would include undertaking specific parameters and detailed modelling knowledge. We are not sure whether today auditors are prepared to undertake such work. Our concern is – that even professional secrecy is required – deep insights in auditing internal model outputs could be used in consulting other undertakings in the</p>	<p>See comment 2.627.</p> <p>CEIOPS disagrees.</p> <p>This may be addressed at level 3.</p>
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			implementation of internal models. This could create distortions in competition.	
2.648.	KPMG ELLP	3.517.	<p>(a) We have concerns regarding whether an external audit confirmation can be provided on some of these items, in particular:</p> <ul style="list-style-type: none"> <li>- Some of the subjective and forward looking Own funds disclosures</li> <li>- Details on non-compliance with MCR and significant non-compliance with the SCR, since this would require some form of on-going monitoring</li> <li>- Summary of investments by class – the current reporting template (D1) requests a listing of the entire investment portfolio and we question the costs and benefits of obtaining an audit opinion on this.</li> </ul> <p>(b) We assume that the references to ‘roll forward analysis’ with respect to life and non-life technical provisions relates to forecast information to be provided in the RTS. The level of comfort which the auditor will be in a position to provide on forecast information will be significantly lower than that which can be provided on historical information.</p>	Noted
2.649.	Legal & General Group	3.517.	The scope of data that is proposed to be included in an external audit is extensive. We believe the above needs to be considered in context with ensuring an effective yet efficient solvency supervisory process and cost-benefit analysis.	See comment 2.642
2.650.	Lloyd’s	3.517.		Noted
2.651.	Lucida plc	3.517.	CEIOPS tentative conclusions as to what should be subject to audit look reasonable.	Noted
2.652.	Munich RE	3.517.	It should be considered that the internal model is already subject to regular review and certification requirements. An additional audit of the MCR should not be necessary.	Noted
2.653.	PricewaterhouseCoopers LLP	3.517.	It would be useful if there was a clear mapping between the proposed reporting requirements that may be subject to audit set out in this table and the elements of the SFCR/RTS and quantitative templates set out elsewhere in the consultation paper. This is particularly relevant with respect to the qualitative reporting requirements and for the quantitative reporting in respect	This may be addressed at Level 3



			<p>of “summary of investments by class”.</p> <p>We note that templates detailing technical provisions are identified for audit. In accordance with Article 76 “the risk margin shall be calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement”. As set out in CP 42 paragraph 3.130, where an internal model is used in the calculation of the SCR that same model may be used in the calculation of the risk margin. As a result the comments in respect of paragraph 3.515 in respect of external assurance over internal models will apply equally to the audit of technical provisions where the risk margin is calculated by reference to an internal model.</p>	
2.654.	CEA, ECO-SLV- 09-453	3.518.	<p>We would like to get back on this issue at a later stage, since it needs some more consideration. It is however important multiple reconciliations, securing and audit by the undertaking itself, supervision authorities and external auditors will not be undertaken as this would mean additional costs. The distribution of roles and responsibilities should be stated clearly. One point is that the external auditors responsibility should be limited to the “current information” not planning /forecast information.</p> <p>In addition, we are opposed to non compliance with MCR being subject to an external audit. We propose that the text is changed to: “Details on significant non compliance with MCR...”</p> <p>In the table there is “non-life technical provisions roll forward analysis” – this should be defined.</p>	<p>This may be addressed at Level 3</p> <p>Noted</p> <p>This may be addressed at Level 3.</p>
2.655.	CRO Forum	3.518.	<p>We would like to return to this at a later date to consider further.</p> <p>The distribution of roles and responsibilities should be clearer. Further clarity is required around what is meant by “non-life technical provisions roll forward analysis”.</p> <p>The role of the auditor should be restricted to “current information” rather than “planning” or “forecast information”.</p>	See comment 2.654
2.656.	European Insurance	3.518.	<p>The CFO Forum would like to return to this at a later date to consider further.</p> <p>The distribution of roles and responsibilities should be clearer.</p>	See comment 2.655.

	CFO Forum		<p>Further clarity is required around what is meant by “non-life technical provisions roll forward analysis”</p> <p>The role of the auditor should be restricted to “current information” rather than “planning” or “forecast information”.</p>	
2.657.	German Insurance Association – Gesamtverb and der D	3.518.	<p>External audit requirements should be comprehensively consulted in detail with all stakeholders</p> <p>We would like to get back on this issue at a later stage, since it needs some more consideration. The table of quantitative or qualitative reporting requirements which CEIOPS considers tentatively to be subject to an external audit seems partly inconsistent with the SFCR, the RTS and/or the templates in Annex D. More clarity on supervisory reporting requirements is needed to address the issue of auditing a reasonable subset of data. It is however important multiple reconciliations, securing and audit by the undertaking itself, supervision authorities and external auditors will not be undertaken as this would mean additional costs. The distribution of roles and responsibilities should be stated clearly. One point is that the external auditors responsibility should be limited to the “current information” not planning/forecast information.</p>	See comment2.654.
2.658.	Groupe Consultatif	3.518.	<p>The Groupe Consultatif has no fixed view on the appropriate scope of audit and would be happy to engage in discussion with colleague stakeholders. Specifically we recognise that both qualitative and quantitative outputs from the actuarial function in accordance with Article 47 may be subject to audit. In such case it will be valuable to ensure that the auditor has access to advice from a person conforming to professional actuarial standards.</p>	Noted
2.659.	Legal & General Group	3.518.	<p>We would like to return to this at a later date to consider further.</p> <p>The distribution of roles and responsibilities should be clearer.</p> <p>Further clarity is required around what is meant by “non-life technical provisions roll forward analysis”.</p> <p>The role of the auditor should be restricted to “current information” rather than “planning” or “forecast information”</p>	<p>The distribution of roles and responsibilities will be defined at a later stage.</p> <p>It will be done.</p> <p>SII framework is a prospective framework.</p>

2.660.	DIMA (Dublin International Insurance & Management	3.519.	CEIOPS is not providing clear conclusions on what would be subject to external audit. For captives this may affect costs if auditors are expected to audit the reporting templates. Paragraphs 3.519 – 3.541	Noted
2.661.			Confidential comment deleted	
2.662.	ECIROA	3.519.		
2.663.	ACA – ASSOCIATIO N DES COMPAGNIE S D'ASSURAN CES DU	3.521.	Point a): We do not agree with the proposal under (a) that “delays to implementing strategy” or “model changes” should be among the predefined events requiring updated reporting. There is an inconsistency here with CP37 regarding internal model approval.	See comment 2.665
2.664.			Confidential comment deleted	
2.665.	CEA, ECO-SLV- 09-453	3.521.	Point a): We do not agree with the proposal under (a) that “delays to implementing strategy” or “model changes” should be among the predefined events requiring updated reporting. There is an inconsistency here with CP37 regarding internal model approval.	Noted
2.666.	CRO Forum	3.521.	Types of ‘predefined events’ need to be well defined. We do not agree with the proposal under (a) that “delays to implementing strategy” or “model changes” should be among the predefined events requiring updated reporting. There is an inconsistency here with CP37 regarding internal model approval and reporting on model changes.	See comment 2.665
2.667.	European Insurance CFO Forum	3.521.	The CFO Forum disagree that a) “delays to implementing strategy” and h) “model changes” should be part of the predefined events that need updated reporting. The proposed section a) and h) are inconsistent with CP37 on internal model approval.	See comment 2.665
2.668.			Confidential comment deleted	

2.669.			Confidential comment deleted	
2.670.	German Insurance Association – Gesamtverb and der D	3.521.	Point a): We do not agree with the proposal under (a) that “delays to implementing strategy” or “model changes” should be among the predefined events requiring updated reporting. There is an inconsistency here with CP37 regarding internal model approval.	Se comment 2.665
2.671.	Institut des actuaires (France)	3.521.	Article 53 of the directive (Report on solvency and financial condition: updates and additional voluntary information) states that “in the event of any major development affecting significantly the relevance of the information disclosed in accordance with Articles 50 and 52, insurance and reinsurance undertakings shall disclose appropriate information on its nature and effects”.  Not all of the events described in paragraph 3.521 meet the definition of “major development affecting significantly the relevance of the information disclosed” (e.g. a) Changes in business strategy including delays to implementing strategy).	Noted.
2.672.	KPMG ELLP	3.521.	(a) We agree that it would be impossible to predefine all possible future events that may affect undertakings, however the Level 3 guidance should also include a reference to an overriding principle of open and honest dealings with the supervisor with respect to anything which the supervisor could reasonably be expected to receive notice of.  (b) Specific reference should be included to MCR and SCR non-compliance in addition to the reference to material changes in the MCR and SCR  (c) Other events which CEIOPS should consider including are: <input type="checkbox"/> Entering into material reinsurance contracts (including ‘financial’ contracts); <input type="checkbox"/> Changes to group structure.	See comment 2.665
2.673.	Legal & General Group	3.521.	(a) and (h) contradict CP 37	Noted
2.674.	Munich RE	3.521.	c) Information concerning significant lawsuits may be provided on the nature and potential impact of the lawsuit. However “any legal opinion received by	Noted. This will be addressed at Level 3.

			<p>the undertaking” cannot and must not be provided due to the “attorney-client privilege”.</p> <p>a) Reporting of every change in business strategy would cause a plethora of reports and not add to transparency. Changes in business strategy should not necessarily be reported; a “predefined event” should be limited to “material changes in business strategy that can reasonably be expected to have a significant impact on the undertaking” .</p> <p>Change text: Changes Major changes in business strategy including delays to implementing strategy;</p> <p>b) Delete b) This would cause a plethora of reports, which are not relevant for the supervisor.)</p> <p>e) If a company has details of a new risk and information on its potential or actual impact and mitigation plans in place, this risk has already crystallised.</p> <p>Change text: New emerging or crystallised material internal or external risks:  o details of emerging or crystallised risks; and  o information on its potential or actual impact and mitigation plans in place;</p> <p>h) In the event of model changes, the information requested should be restricted to data/information materially affected by the model change. It should be noted that the information will in general be provided when applying for the model change.</p>	
2.675.			Confidential comment deleted	
2.676.	Association of British Insurers	3.524.	This response covers paragraphs 3.524 to 3.526. We agree with this advice.	Noted
2.677.	Just Retirement Limited	3.524.	<p>It is appropriate to include the principle of materiality and appropriateness in judging the need for public disclosure. For supervisors/public meaningful information at appropriate level is the key in achieving pillar II and III aims.</p> <p>We believe that information on risks would be regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making</p>	Noted.

			economic decisions or if the undertaking considers them large enough to threaten the operation.	
2.678.	AAS BALTA	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	This may be addressed at Level 3.
2.679.	AB Lietuvos draudimas	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.680.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.527.	We would ask CEIOPS to replace “any information” by “additional information which is necessary for the purposes of supervision and not already regularly obtained”. “Any information” is going beyond the Level I text.  Irregular information requests during enquiries regarding the situation of the undertaking should not put undue burden on undertakings as they are additional to the demanding regular supervisory reporting requirements.	See comment 2.681
2.681.	CEA, ECO-SLV-09-453	3.527.	We would ask Ceiops to replace “any information” by “additional information which is necessary for the purposes of supervision and not already regularly obtained”. “Any information” is going beyond the Level I text.  Irregular information requests during enquiries regarding the situation of the undertaking should not put undue burden on undertakings as they are additional to the demanding regular supervisory reporting requirements.	CEIOPS disagrees. When necessary, supervisors should be able to request any information to ensure that the information they have is up to date. However, they should take into account the additional burden this puts on the undertaking.
2.682.	DENMARK: Codan Forsikring A/S (10529638)	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.683.			Confidential comment deleted	
2.684.	German Insurance Association – Gesamtverb	3.527.	We would ask CEIOPS to replace “any information” by “additional information which is necessary for the purposes of supervision and not already regularly obtained”. “Any information” is going beyond the Level I text.	See comment 2.681

	and der D		Irregular information requests during enquiries regarding the situation of the undertaking should not put undue burden on undertakings as they are additional to the demanding regular supervisory reporting requirements.	
2.685.	Link4 Towarzystw o Ubezpieczeń SA	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.686.	NORWAY: Codan Forsikring (Branch Norway) (991 502	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.687.	RSA Insurance Group PLC	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.688.	RSA Insurance Ireland Ltd	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.689.	RSA - Sun Insurance Office Ltd.	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.690.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	3.527.	Requesting clarification on level of documentation to be maintained for all supervisor queries	See comment 2.679
2.691.	CEA, ECO-SLV- 09-453	3.528.	We would like Ceiops to delete the last sentence of 3.528. See comment to 3.532.	CEIOPS disagrees. There may be occasions when information is required without a formal

				inspection.
2.692.	German Insurance Association – Gesamtverband der D	3.528.	We would like CEIOPS to delete the last sentence of 3.528. See comment to 3.532.	See comment 2.691
2.693.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.529.	“May” should be replaced by “shall”. It is important the scope of information is clearly defined.	See comment 2.694
2.694.	CEA, ECO-SLV-09-453	3.529.	“May” should be replaced by “shall”.  It is important the scope of information is clearly defined.	CEIOPS disagrees. Supervisors should have the ability to request all the information necessary for the purposes of supervision. However, supervisors should consider the burden this puts on undertakings.
2.695.	German Insurance Association – Gesamtverband der D	3.529.	“May” should be replaced by “shall”.  It is important the scope of information is clearly defined.	See comment 2.694
2.696.	ACA – ASSOCIATION DES COMPAGNIES D'ASSURANCES DU	3.530.	We agree with the statement that supervisory enquiries “should not place an undue burden on the undertaking but should also be relevant to the protection of policyholder interests”. We think that these principles should be applied more rigorously in defining the final reporting requirements. See comment to 3.534.	See comment 2.698



2.697.			Confidential comment deleted	
2.698.	CEA, ECO-SLV- 09-453	3.530.	We agree with the statement that supervisory enquiries “should not place an undue burden on the undertaking but should also be relevant to the protection of policyholder interests”. We think that these principles should be applied more rigorously in defining the final reporting requirements.  See comment to 3.534.	Noted
2.699.	CRO Forum	3.530.	We strongly agree with the statement that supervisory enquiries “should not place an undue burden on the undertaking but should also be relevant to the protection of policyholder interests”. We are of the opinion that these principles should be applied more rigorously in defining the final reporting requirements.	See comment 2.698
2.700.	European Insurance CFO Forum	3.530.	The CFO Forum supports the points made in this paragraph.	Noted
2.701.	German Insurance Association – Gesamtverb and der D	3.530.	We agree with the statement that supervisory enquiries “should not place an undue burden on the undertaking but should also be relevant to the protection of policyholder interests”. We think that these principles should be applied more rigorously in defining the final reporting requirements.  See comment to 3.534.	See comment 2.698
2.702.	ACA – ASSOCIATIO N DES COMPAGNIE S D’ASSURAN CES DU	3.531.	We are concerned that the power given to supervisors to request ad hoc information during enquiries regarding the situation of the undertaking may lead to an excessive burden on undertakings.  See also comment to 3.530 and our general comments on the requirements being too burdensome. We support the supervisors having the power to request ad hoc information and indeed it would be better to have streamlined regular reporting and detailed reporting on specific issues to be asked only if an issue is identified. However, details need to be set at Level 2.	See comment 2.704
2.703.	Association of British Insurers	3.531.	This response covers paragraphs 3.531 to 3.534. We believe that any ad-hoc information requests at group level should be co-ordinated through the college of supervisors to ensure consistency and minimise any duplication of	See comment 2.704

			requests. Otherwise we agree with this advice.	
2.704.	CEA, ECO-SLV- 09-453	3.531.	<p>We are concerned that the power given to supervisors to request ad hoc information during enquiries regarding the situation of the undertaking may lead to an excessive burden on undertakings.</p> <p>See also comment to 3.530 and our general comments on the requirements being too burdensome. We support the supervisors having the power to request ad hoc information and indeed it would be better to have streamlined regular reporting and detailed reporting on specific issues to be asked only if an issue is identified. However, details need to be set at Level 2. We think that the wording in 3.531 should reflect the Level 1 text (Article 35 (1)) better. Only information which is necessary for supervision can and should be required. We therefore ask for the following redrafting: add after information “which is necessary for the purpose of supervision”.</p> <p>In addition, we believe that any ad-hoc information requests at group level should be co-ordinated through the college of supervisors to ensure consistency and minimise any duplication of requests. Otherwise we agree with this advice.</p>	<p>Supervisors should consider the burden their enquiries put on undertakings.</p> <p>Noted.</p> <p>Noted</p>
2.705.	German Insurance Association – Gesamtverb and der D	3.531.	<p>We are concerned that the power given to supervisors to request ad hoc information during enquiries regarding the situation of the undertaking may lead to an excessive burden on undertakings.</p> <p>See also comment to 3.530 and our general comments on the requirements being too burdensome. We support the supervisors having the power to request ad hoc information and indeed it would be better to have streamlined regular reporting and detailed reporting on specific issues to be asked only if an issue is identified. However, details need to be set at Level 2. We think that the wording in 3.531 should reflect the Level 1 text (Article 35 (1)) better. Only information which is necessary for supervision can and should be required. We therefore ask for the following redrafting: add after information “which is necessary for the purpose of supervision”.</p> <p>In addition, we believe that any ad-hoc information requests at group level should be co-ordinated through the college of supervisors to ensure</p>	See comment 2.704

			consistency and minimise any duplication of requests. Otherwise we agree with this advice.	
2.706.	Just Retirement Limited	3.531.	Supervisors should always state the reasons for asking for additional information outside the scope of the normal procedures (SFCR, RTS.) for information requirements. Supervisors should explain additional demands for information that goes beyond the “standard” requirements. The use of early warning indicators could be a cost efficient and proactive monitoring tool for supervisors to sort out undertakings with a deteriorating financial position or an increased risk profile.	Noted.
2.707.	Lloyd’s	3.531.	We consider that supervisors already have adequate powers to make ad hoc requests/enquiries.	Noted.
2.708.	Pearl Group Limited	3.531.	This response covers paragraphs 3.531 to 3.534. We believe that any ad-hoc information requests at group level should be co-ordinated through the college of supervisors to ensure consistency and minimise any duplication of requests. Otherwise we agree with this advice.	See comment 2.704
2.709.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.532.	See comment to 3.531. CEIOPS should delete the last sentence of 3.532. Without formal assessment we doubt that information can be required which is necessary for the purpose of supervision if only informal.	See comment 2.709
2.710.	CEA, ECO-SLV-09-453	3.532.	See comment to 3.531. Ceiops should delete the last sentence of 3.532. Without formal assessment we doubt that information can be required which is necessary for the purpose of supervision if only informal.	CEIOPS disagrees. There may be occasions when information is required without a formal inspection.
2.711.	German Insurance Association – Gesamtverband der D	3.532.	See comment to 3.531. CEIOPS should delete the last sentence of 3.532. Without formal assessment we doubt that information can be required which is necessary for the purpose of supervision if only informal.	See comment 2.709

2.712.	Legal & General Group	3.532.	Please define “market enquiries in a tighter way. Also applies to section 3.533.	Noted. This may be addressed at Level 3
2.713.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.533.	If enquiries are linked to off site inspections as interpreted in 3.528, we would think that this is an individual information request and not to the whole or partial market. The advice conflicts with the explanatory text and should hence be deleted.  See comment to 3.531.	See comment 2.714
2.714.	CEA, ECO-SLV-09-453	3.533.	If enquiries are linked to off site inspections as interpreted in 3.528, we would think that this is an individual information request and not to the whole or partial market. The advice conflicts with the explanatory text and should hence be deleted. See comment to 3.531.	CEIOPS disagrees. It may be necessary for supervisors to obtain information about the whole sector.
2.715.	European Insurance CFO Forum	3.533.	The CFO Forum requests examples of what would constitute possible market “enquiries”.	Noted. This may be addressed at Level 3.
2.716.	FFSA	3.533.	The CEIOPS reminds that supervisors shall have the power to request ad hoc information during enquiries regarding the situation of the undertaking. These enquiries could be designed for one specific segment of the market.  FFSA asks to CEIOPS to provide with examples of possible market enquiries?	See comment 2.715
2.717.	German Insurance Association – Gesamtverband der D	3.533.	If enquiries are linked to off site inspections as interpreted in 3.528, we would think that this is an individual information request and not to the whole or partial market. The advice conflicts with the explanatory text and should hence be deleted. See comment to 3.531.	See comment 2.714
2.718.	Legal & General Group	3.533.	As 3.532	Noted

2.719.				
2.720.	CEA, ECO-SLV- 09-453	3.534.	<p>We would like 3.534 to be redrafted in the following way: “Information from the undertaking or group shall be requested by the supervisor in a clear and understandable manner, i.e. the nature, the scope and the format of the information request shall be determined as well as an appropriate time line for the undertaking to fulfil the request of information. These enquiries shall not place an undue burden on the undertaking.”</p> <p>The expected response of the undertaking has to be determined in nature, scope and format by the requesting supervisor in advance. Supervisors should set an appropriate time line taking into account the nature, the scope and the format of the information requested.</p> <p>As stated by Ceiops in 3.530 it would be not acceptable that enquiries put undue burden on the undertaking, e. g. in frequency and in scope. It is the interest of supervisors to limit these additional requests for information to the extent necessary in regard of policyholder protection. Otherwise, undertakings would face difficulties in complying with Article 35 (5) – a written policy can only cover expected reasonable requests for relevant information.</p> <p>See comment to 3.531.</p>	Not agreed.
2.721.	German Insurance Association – Gesamtverb and der D	3.534.	<p>We would like 3.534 to be redrafted in the following way: “Information from the undertaking or group shall be requested by the supervisor in a clear and understandable manner, i. e. the nature, the scope and the format of the information request shall be determined as well as an appropriate time line for the undertaking to fulfil the request of information. These enquiries shall not place an undue burden on the undertaking.”</p> <p>The expected response of the undertaking has to be determined in nature, scope and format by the requesting supervisor in advance. Supervisors should set an appropriate time line taking into account the nature, the scope</p>	See comment 2.720.

			<p>and the format of the information requested.</p> <p>As stated by CEIOPS in 3.530 it would be not acceptable that enquiries put undue burden on the undertaking, e. g. in frequency and in scope. It is the interest of supervisors to limit these additional requests for information to the extent necessary in regard of policyholder protection. Otherwise, undertakings would face difficulties in complying with Article 35 (5) – a written policy can only cover expected reasonable requests for relevant information.</p> <p>See comment to 3.531.</p>	
2.722.	Munich RE	3.535.	<p>We support CEIOPS' expectations that the insurer should have copies of or access to contracts that are written and held by brokers. In addition, brokers should also provide full copies of reinsurance arrangements/contracts to reinsurers and ensure access to all relevant reinsurance documentation. CEIOPS should encourage the parties concerned to ensure appropriate record-management procedures. In view of current reinsurance market practice, it may even be advisable to translate CEIOPS' expectations into concise contract documentation requirements.</p>	Noted.
2.723.				
2.724.	Association of British Insurers	3.538.	<p>This response covers paragraphs 3.524 and 3.525. We agree with this advice but believe that it needs to be interpreted in a proportionate manner so that only material contracts are covered.</p>	Noted
2.725.			Confidential comment deleted	
2.726.	CEA, ECO-SLV-09-453	3.538.	<p>This response covers paragraphs 3.524 and 3.525. We agree with this advice but believe that it needs to be interpreted in a proportionate manner so that only material contracts are covered.</p>	See comment 2.724
2.727.	CRO Forum	3.538.	<p>We consider that the words "where it is considered necessary" need clarifying and defining more clearly.</p>	Noted.
2.728.	European	3.538.	<p>Guidance for supervisors is required regarding the interpretation of "where it</p>	See comment 2.727

	Insurance CFO Forum		is considered necessary” to gain information on contracts held by intermediaries.	
2.729.	German Insurance Association – Gesamtverband der D	3.538.	This response covers paragraphs 3.524 and 3.525. We agree with this advice but believe that it needs to be interpreted in a proportionate manner so that only material contracts are covered.	See comment 2.724
2.730.	Pearl Group Limited	3.538.	This response covers paragraphs 3.524 and 3.525. We agree with this advice but believe that it needs to be interpreted in a proportionate manner so that only material contracts are covered.	See comment 2.724
2.731.	Legal & General Group	3.539.	Clarity is needed in what constitutes a contract in that often contracts change over time and at a point in time practice may reflect a “heads of agreement” rather than a fully fleshed out contract.	This may be provided at L3.
2.732.	KPMG ELLP	3.540.	Where supervisors ‘require information from external experts’, it needs to be clarified whether the supervisor or the (re)insurance undertakings/insurance group will engage the expert.	Noted.
2.733.	PricewaterhouseCoopers LLP	3.540.	Article 35 2.(c) notes that the supervisors shall have the power to require information from external experts. It should be clarified that the information that may be required should only be that that the expert already possesses as a result of the performance of the expert role for which it was engaged. The supervisor should not be able to require that the expert performs additional work or produces additional reports over and above those already performed by the expert in fulfilling its role, as part of that engagement. However, the expert may agree to perform additional work as part of a separate engagement. See also comments on paragraph 3.39.	Noted
2.734.	KPMG ELLP	3.541.	It should be recognised in this paragraph that the undertaking will normally need to obtain clearance from the external expert before providing a copy of any report to the supervisor.	Noted
2.735.	PricewaterhouseCoopers LLP	3.541.	We concur that requests for information should first be made to the undertaking and not the expert. Such requests should not extend to information which is confidential to the expert and to which the undertaking itself does not have access (for example contents of audit working papers).	Noted.

			See also comments on paragraph 3.39.	
2.736.	ACA – ASSOCIATION DES COMPAGNIES D’ASSURANCES DU	3.542.	We consider that the advice that “Supervisors expect that the undertaking or the group either has or has immediate access to the information from external experts, such as auditors and actuaries as part of its records management procedures” needs to be clearly limited to already existing information and records.	See comment 2.738
2.737.			Confidential comment deleted	
2.738.	CEA, ECO-SLV- 09-453	3.542.	We consider that the advice that “Supervisors expect that the undertaking or the group either has or has immediate access to the information from external experts, such as auditors and actuaries as part of its records management procedures” needs to be clearly limited to already existing information and records.	Noted.
2.739.	CRO Forum	3.542.	We consider that the advice that “Supervisors expect that the undertaking or the group either has or has immediate access to the information from external experts, such as auditors and actuaries as part of its records management procedures” needs to be clearly limited to already existing information and records.	See comment 2.738
2.740.	European Insurance CFO Forum	3.542.	The CFO Forum indicates that this proposal needs to be clearly limited to already existing information and records.	See comment 2.738
2.741.	European Union member firms of Deloitte Touche To	3.542.	“ either has or has immediate access...” should read, “ either has or had immediate access...”;	Noted. See revised paragraph.
2.742.	German Insurance Association –	3.542.	We consider that the advice that “Supervisors expect that the undertaking or the group either has or has immediate access to the information from external experts, such as auditors and actuaries as part of its records management procedures” needs to be clearly limited to already existing information and	This may be addressed at Level 3



	Gesamtverb and der D		records.	
2.743.	KPMG ELLP	3.542.	See 3.541	Noted
2.744.	Pricewaterho useCoopers LLP	3.542.	See comments on paragraphs 3.39 and 3.541.	Noted
2.745.	XL Capital Ltd	3.544.	<p>Issue A: We support Option 2, although the actual format and detail of reporting in this option appears extremely detailed and unnecessarily onerous, especially if the information has to be prepared on a quarterly basis.</p> <p>Issue A*: We support Option 2.</p> <p>Issue B: We support Option 3.</p> <p>Issue C: We support Option 2.</p> <p>Issue D: We support Option 3.</p>	<p>Noted. The decision on those reports which will be required quarterly will be made at Level 3, but it will only be a subset of those in Annex D.</p> <p>CEIOPS does not believe that it can receive the MCR only on a quarterly basis, which is the implication of Issue B Option 3, as it alone does not provide sufficient information to supervise an undertaking. The Directive does require the MCR to be reported quarterly by all undertakings under Article 127(2).</p>
2.746.	CEA, ECO-SLV- 09-453	3.546.	<p>Issue A*: Content of the qualitative aspects of the RTS: Option 1 seems burdensome to implement as issues, such as the System of governance, are less likely to change many times during the year. Hence option 2 seems more suitable. Comment also applicable to 3.552.</p> <p>It is too early to comment in more detail on the different alternatives before the scope of qualitative and quantitative reporting is fixed.</p>	Noted
2.747.	FFSA	3.546.	Issue A*: Content of the qualitative aspects of the RTS: Option 1 seems heavy to implement as issues, like System of governance, are less likely to	Noted

			change many times during the year. Hence option 2 seems more suitable	
2.748.			Confidential comment deleted	
2.749.	German Insurance Association – Gesamtverb and der D	3.546.	<p>Issue A*: Content of the qualitative aspects of the RTS: Option 1 seems burdensome to implement as issues, such as the System of governance, are less likely to change many times during the year. Hence option 2 seems more suitable. Comment also applicable to 3.552.</p> <p>It is too early to comment in more detail on the different alternatives before the scope of qualitative and quantitative reporting is fixed.</p>	See comments on 2.746
2.750.	Just Retirement Limited	3.546.	<p>This response covers 3.546 to 3.571.</p> <p>Issue A: We agree with option 2. QIS4 was designed for the purpose of reporting the SCR rather than general reporting requirements. Annex D is therefore more appropriate. However, we believe that further analysis will be required of each form contained within Annex D to ensure they are fit for purpose and not unduly onerous, particularly for small and medium enterprises.</p> <p>Issue A*: We agree with option 2. Supervisory review of the RTS should be focussed on those firms with the largest risk profile. Option 2 is therefore most suited to this objective.</p> <p>Issue B: We agree with Option 3. Annual reporting is sufficient (Directive exceptions (e.g. MCR) notwithstanding). This should not impact on a supervisor's power to request addition reports where there is a serious concern.</p> <p>Issue C: We agree with Option 2. The requirement to externally audit all reporting templates would be extremely burdensome and impractical.</p> <p>Issue D: We agree with Option 3. Comparison of quantitative data would only be practical with standardised reporting formats. However, standardised reporting formats may be too restrictive for qualitative data.</p>	<p>Noted</p> <p>Noted</p> <p>CEIOPS does not believe that it can receive the MCR only on a quarterly basis, which is the implication of Issue B Option 3, as it alone does not provide sufficient information to supervise an undertaking.</p> <p>Noted</p> <p>Noted</p>

2.751.	ECIROA	3.551.	ECIROA agrees that Option 2 is the best option provided the principle of proportionality is applied to the extent of the data required from captives.	Noted
2.752.	KPMG ELLP	3.551.	We support Option 3	Noted
2.753.	Lloyd's	3.551.	Lloyd's agrees that Option 2 is the most appropriate.	Noted
2.754.	CEA, ECO-SLV- 09-453	3.552.	We agree with Ceiops that option 2 is preferable. See also comment to 3.546.	Noted
2.755.	Dexia	3.552.	We agree with CEIOPS conclusions.	Noted
2.756.	ECIROA	3.552.	ECIROA agrees that Option 2 is the best option as it follows the principle of proportionality, which will allow captives and small undertakings to submit a full RTS in the first year and report material changes thereafter (thereby reducing the cost impact on captives).	Noted. However, the RTS will include an element that has been made public in the SFCR and it is not sufficient to report material changes only for that part of the RTS.
2.757.	German Insurance Association – Gesamtverb and der D	3.552.	We agree with CEIOPS that option 2 is preferable. See also comment to 3.546.	Noted
2.758.	KPMG ELLP	3.552.	We support Option 2	Noted
2.759.	Lloyd's	3.552.	Lloyd's agrees that Option 2 is the most appropriate.	Noted
2.760.	CEA, ECO-SLV- 09-453	3.553.	It should be sufficient for an undertaking subject to a full yearly review to make a statement saying that there have been no material changes if this is the case.	This would not allow the supervisory authority to understand exactly what the current policy is, without referring back to previous submissions. The intention is to be able to identify that from the full submission.

2.761.	German Insurance Association – Gesamtverb and der D	3.553.	It should be sufficient for an undertaking subject to a full yearly review to make a statement saying that there have been no material changes if this is the case.	See comments in 2.760
2.762.	CEA, ECO-SLV-09-453	3.554.	We agree that option 1 is impractical for undertakings.  We suggest that local supervisors compare what is already reported by undertakings to what will be required under Solvency II in order to ensure that the reporting requirements will not increase.	Noted  The reporting requirements under Solvency I are not harmonised but will be more fully harmonised under Solvency II, which sets out new requirements. Thus CEIOPS and supervisory authorities cannot ensure that reporting requirements will not increase.
2.763.	DIMA (Dublin International Insurance & Management	3.554.	Annex A sets out the options CEIOPS considered for A Content of qualitative templates B Content of quantitative templates C Frequency of RTS D Level of assurance required on quantitative templates E Reporting format  For the most part the CEIOPS preferred options are reasonable. The reporting templates require examination. The proportionality principle should be applied for captives.  Paragraphs 3.544 – 3.570	CEIOPS thinks the comments relate more to paragraph 3.544, and are noted.  The proportionality principle will apply across all undertakings.
2.764.	FFSA	3.554.	Frequency of the RTS qualitative date : FFSA agrees that option 1 is impractical for undertakings (cf. 3.546).  FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the	Noted  The reporting requirements under Solvency I are not harmonised but will be more fully harmonised

			current list and not additional to that list.	under Solvency II, which sets out new requirements. CEIOPS believes that harmonisation of the range and type of data provided is necessary to ensure a consistent approach across supervisory authorities. It cannot ensure the reporting requirements will not increase.
2.765.	German Insurance Association – Gesamtverb and der D	3.554.	We agree that option 1 is impractical for undertakings.  We suggest that local supervisors compare what is already reported by undertakings to what will be required under Solvency II in order to ensure that the reporting requirements will not increase.	See comments on 2.762
2.766.	CEA, ECO-SLV-09-453	3.555.	We agree that option 1 is costly for undertakings and supervisors. See also comment to 3.554.	Noted. See comments on 2.762
2.767.	FFSA	3.555.	Frequency of the RTS quantitative data : FFSA agrees that option 1 is costly for undertakings and supervisors  FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.	Noted. See comments on 2.764
2.768.			Confidential comment deleted	
2.769.	German Insurance Association – Gesamtverb and der D	3.555.	We agree that option 1 is costly for undertakings and supervisors. See also comment to 3.554.	Noted. See comments on 2.762
2.770.	ECIROA	3.556.	ECIROA suggest that Option 3 is appropriate for captives. It would be administratively burdensome and costly for captives and smaller undertakings	The Directive does require the MCR to be reported quarterly by

			<p>to report on more than an annual basis. This frequency of reporting is appropriate to captives' size and risk profile.</p> <p>It is important that the MCR is adequately calibrated for captives in order to not let the majority (as in the QIS 4) fall outside the SCR corridor. Should this status remain a captive would be penalised and would be forced to conduct a quarterly calculation of the SCR in order to obtain the MCR.</p>	<p>all undertakings under Article 127(2), irrespective of type or size. The decision on those reports which will be required quarterly will be made at Level 3, but it will only be a subset of those in Annex D. At that time, CEIOPS will determine how the proportionality principle can be applied to these other quarterly and annual reporting requirements.</p> <p>Out of scope of this Advice</p>
2.771.	CEA, ECO-SLV-09-453	3.557.	'Core quantitative data' should be defined by Ceiops, mainly compared to option 1, making sure that the process of information delivery is not costly for undertakings. See also comment to 3.554.	The 'core' quantitative data was provisionally outlined in paragraph 3.500 but will be set at Level 3. At that time, CEIOPS will determine how the proportionality principle can be applied to these other quarterly reporting requirements.
2.772.	Dexia	3.557.	We agree with CEIOPS conclusions.	Noted
2.773.	FFSA	3.557.	<p>'Core quantitative data' should be defined by CEIOPS, mainly compared to option 1, making sure that the process of information delivery is not costly for undertaking.</p> <p>FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.</p>	See comments on 3.557 and 2.764
2.774.	German Insurance	3.557.	'Core quantitative data' should be defined by CEIOPS, mainly compared to option 1, making sure that the process of information delivery is not costly for	See comments on 3.557

	Association – Gesamtverb and der D		undertakings. See also comment to 3.554.	
2.775.	KPMG ELLP	3.557.	We support Option 2, however we believe that further clarification of the ‘core’ data requirements, taking into account the proportionality principle, is of high importance.	See comments on 2.771
2.776.	Lloyd’s	3.557.	Lloyd’s prefers option 3 (as pre-defined events need to be reported anyway)	CEIOPS does not believe that it can receive the MCR only on a quarterly basis, which is the implication of Issue B Option 3, as it alone does not provide sufficient information to supervise an undertaking.
2.777.	CEA, ECO-SLV- 09-453	3.558.	Ceiods should define a methodology or the basis on which the external audit must be performed, mainly when there is a divergence between the external auditor and the undertaking, hence the consequences on the signing off of the annual accounts. Also how shall the external audit be performed for group solvency? See also comment to 3.554.	<p>The methodology (solo and group) used by external auditors is defined in international standards (ISA, ISRE, ISAE, ISRS). CEIOPS has to define the level of assurance (audit, review, agreed upon,...) what will imply a certain methodology.</p> <p>External auditors act under their own responsibility and it is not to CEIOPS to decide in case of divergences between the undertaking and the external auditor.</p> <p>CEIOPS is not competent to define the standards for external auditors.</p>

2.778.	FFSA	3.558.	<p>Issue C: Level of assurance on quantitative reporting templates: CEIOPS should define a methodology or the basis on which the external audit must be performed, mainly when there is a divergence between the external auditor and the undertaking, hence the consequences on the assurance of the annual accounts.</p> <p>FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.</p>	See comments on 2.777 and 2.764
2.779.	German Insurance Association – Gesamtverb and der D	3.558.	CEIOPS should define a methodology or the basis on which the external audit must be performed, mainly when there is a divergence between the external auditor and the undertaking, hence the consequences on the signing off of the annual accounts. Also how shall the external audit be performed for group solvency? See also comment to 3.554.	See comments on 2.777
2.780.	Belgian Coordination Group Solvency II (Assuralia/	3.559.	See general comment.	See comments on 3.316
2.781.	CEA, ECO-SLV-09-453	3.559.	See comment to 3.558.	See comments on 2.777
2.782.	Dexia	3.559.	We support the option 2.	Noted
2.783.	ECIROA	3.559.	It is important that the frequency and extent of external audits are appropriate to captives so that there is not a high cost and administrative burden put upon them.	Noted
2.784.	FFSA	3.559.	Issue C: Level of assurance on quantitative reporting templates: CEIOPS should define a methodology or the basis on which the external audit must be performed, mainly when there is a divergence between the external auditor and the undertaking, hence the consequences on the assurance of the annual accounts.	See comments on 2.778



			FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.	
2.785.	German Insurance Association – Gesamtverb and der D	3.559.	See comment to 3.558.	See comments on 2.777
2.786.	KPMG ELLP	3.559.	We support Option 2	Noted
2.787.	Lloyd's	3.559.	Lloyd's agrees that Option 2 is the most appropriate.	Noted
2.788.	PricewaterhouseCoopers LLP	3.561.	See comments on paragraph 3.564.	See comments on 2.799
2.789.	CEA, ECO-SLV-09-453	3.562.	We agree that option 2 is impractical and would inhibit the supervisors reviewing aggregating and comparing the data. See also comment to 3.554.	Noted. See comments on 2.764
2.790.	FFSA	3.562.	Issue D: Reporting format: FFSA agrees that Option 2 is impractical and would inhibit the supervisors reviewing aggregating and comparing the data. FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.	Noted See comments on 2.764
2.791.	German Insurance Association – Gesamtverb and der D	3.562.	We agree that option 2 is impractical and would inhibit the supervisors reviewing aggregating and comparing the data. See also comment to 3.554.	Noted See comments on 2.762

2.792.	PricewaterhouseCoopers LLP	3.562.	See comments on paragraph 3.564.	See comments on 2.801
2.793.	CEA, ECO-SLV-09-453	3.563.	We agree that option 3 seems the most suitable. However, more disclosure should be done on group reporting. See also comment to 3.554.	Noted. Paragraphs 3.266 to 3.280 identify the requirements for the SFCR for groups. See comments on 2.762
2.794.	ECIROA	3.563.	ECIROA agrees that Option 3 is the best option. The free format supports the principle of proportionality allowing captives to report only relevant information but in an agreed predefined order.	Noted
2.795.	FFSA	3.563.	Issue D: Reporting format: FFSA agrees that option 3 seems the most suitable. However, more disclosure should be done on Group reporting.  FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted to the current list and not additional to that list.	Noted. See comments on 2.793  See comments on 2.764
2.796.	German Insurance Association – Gesamtverband der D	3.563.	We agree that option 3 seems the most suitable. However, more disclosure should be done on group reporting. See also comment to 3.554.	See comments on 2.793
2.797.	PricewaterhouseCoopers LLP	3.563.	See comments on paragraph 3.564.	See comments on 2.801
2.798.	Dexia	3.564.	In a theoretical viewpoint, we agree with CEIOPS conclusions as people need to visualise the data requirements under the form of a table. However, in practice, we recommend the use of XBRL as already explained before.	Noted. See comments on 11
2.799.	KPMG ELLP	3.564.	We support Option 3	Noted
2.800.	Lloyd's	3.564.	Lloyd's agrees that Option 3 is the most appropriate.	Noted
2.801.	PricewaterhouseCoopers LLP	3.564.	We concur that a standardised reporting format should be required for	Noted. See comments on 1.840

	useCoopers LLP		quantitative reporting for the reasons set out. We concur that a standardised format for qualitative information may place a considerable constraint on undertakings. For these reasons we concur that Options 1 and 2 should not be preferred options. See comments on paragraph 3.298 in respect of the proposed Option 3.	
2.802.	ECIROA	3.565.	ECIROA suggests a new scenario appropriate for captives Scenario 6: Option 2; Option 2; Option 2; Option 3; Option 3	CEIOPS could not understand this response, as only 2 options were in the frame for Issue C. It is suspected that it was intended that issue B have option 3, in which case see the comments on 2.770.
2.803.	PricewaterhouseCoopers LLP	3.566.	We note that Option 1 was rejected on the grounds that “it is believed that undertakings would expect more detail on the level of information to be disclosed and that this should be set at Level 2”. This statement to some extent prejudices the results of this consultation process. We believe it is possible that some undertakings may consider the proposed level of prescription regarding the format of the SFCR to be overly constraining. CEIOPS should consider the responses to this consultation in forming a view as to whether the stated ground for rejecting Option 1 is valid.	It is believed this comment relates more to para 3.575. CEIOPS has revised the public disclosure impact assessment.
2.804.	PricewaterhouseCoopers LLP	3.567.	We concur with the rejection of Option 2 for the reasons set out in the paragraph.	Noted
2.805.	KPMG ELLP	3.568.	We consider that Scenario 3 is the most appropriate, subject to our comments in 3.551 and Annex E with respect to the possible inclusion of additional quantitative reporting templates.	Noted, but see comments on 2.752 and 2.867
2.806.	PricewaterhouseCoopers LLP	3.568.	See comments on paragraph 3.566.	See comments on 2.803
2.807.	PricewaterhouseCoopers LLP	3.569.	See comments on paragraph 3.566.	See comments on 2.803
2.808.			Confidential comment deleted	

2.809.	Just Retirement Limited	3.574.	<p>This response covers 3.574 to 3.585.</p> <p>Issue A: We agree with Option 3 – this will aid clarity and therefore will be applied more consistently across member states.</p> <p>Issue B: We agree with Option 1 – comparison across firms requires a standardised structure. Also, we agree that the SFCR should be available on a firms' web-site (we think it very unlikely an insurer will not have a web-site).</p>	<p>Noted</p> <p>Noted</p>
2.810.	XL Capital Ltd	3.574.	<p>Issue A: Option 3. Although, as indicated above in 3.127, we have serious concerns about the degree of commercially sensitive information that undertakings will need to disclose under this proposal</p> <p>Issue B: Option 1.</p>	<p>Noted</p> <p>Noted</p>
2.811.	CEA, ECO-SLV-09-453	3.578.	We agree that option 3 seems to be the most suitable one.	Noted
2.812.	FFSA	3.578.	<p>Issue A: Content of public disclosure (Solvency and Financial Condition Report - SFCR) : FFSA agrees that option 3 seems the most suitable.</p> <p>FFSA suggests the list of information requested should be analyzed by each local supervisor in comparison with undertakings are already providing in order to ensure the new list of information required will be substituted on the current list and not additional to that list.</p>	<p>Noted</p> <p>See comments on 2.764</p>
2.813.	German Insurance Association – Gesamtverb and der D	3.578.	We agree that option 3 seems to be the most suitable one.	Noted
2.814.	KPMG ELLP	3.578.	We support Option 3	Noted
2.815.	Lloyd's	3.578.	Lloyd's agrees that Option 3 is the most appropriate.	Noted
2.816.	ACA – ASSOCIATION DES COMPAGNIE	3.582.	We agree to place the responsibility for the public disclosure with each undertaking, but by specifying either the SFCR should be on a website or be available on request by hard copy.	Noted

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2.817.	CEA, ECO-SLV- 09-453	3.582.	We agree to place the responsibility for the public disclosure with each undertaking, but by specifying either the SFCR should be on a website or be available on request by hard copy.	Noted
2.818.	FFSA	3.582.	How public disclosure is achieved: FFSA agrees to place the responsibility for the public disclosure with each undertaking, but by specifying either the SFCR should be on a website or be available on request by hard copy.	Noted
2.819.	German Insurance Association – Gesamtverb and der D	3.582.	We agree to place the responsibility for the public disclosure with each undertaking, but by specifying either the SFCR should be on a website or be available on request by hard copy.	Noted
2.820.	KPMG ELLP	3.584.	We support Option 1	Noted
2.821.	Lloyd's	3.584.	Lloyd's agrees that Option 1 is the most appropriate.	Noted
2.822.	KPMG ELLP	3.586.	We note that the reporting templates included in Annex D are provisional. However for the reasons set out in paragraph 3.587 we have nevertheless provided initial comments on the current drafts in order to assist in the development process.	Noted  The initial comments are welcomed and will be taken into consideration in developing the templates at Level 3.
2.823.	CEA, ECO-SLV- 09-453	3.587.	We note that additional requirements for data from the re/insurance industry may be forthcoming from within the EU and potentially from other international bodies. In our view, this reinforces the necessity for the definition of appropriate reporting content to ensure efficient protection of policyholder interests under the Solvency II regime.	Noted. CEIOPS will explain at Level 3 what the final harmonised reporting covers.
2.824.	CRO Forum	3.587.	We note that additional requirements for data from the re/insurance industry may be forthcoming from within the EU and potentially from other international bodies. In our view, this reinforces the necessity for the definition	See comments on 2.823

			of appropriate reporting content to ensure efficient protection of policyholder interests under the Solvency II regime.	
2.825.				
2.826.	German Insurance Association – Gesamtverb and der D	3.587.	We note that additional requirements for data from the re/insurance industry may be forthcoming from within the EU and potentially from other international bodies. In our view, this reinforces the necessity for the definition of appropriate reporting content to ensure efficient protection of policyholder interests under the Solvency II regime.	See comments on 2.823
2.827.	Munich RE	3.587.	Munich Re notes that additional requirements for data from the re/insurance industry may be forthcoming from within the EU and potentially from other international bodies. In our view, this reinforces the necessity for the definition of appropriate reporting content to ensure efficient protection of policyholder interests under the Solvency II regime.	See comments on 2.823
2.828.	AAS BALTA	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	The precise details of the templates will be addressed at Level 3
2.829.	AB Lietuvos draudimas	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments in 2.828
2.830.	Association of British Insurers	A1	This template includes an odd mixture of information. It is unclear how some items will be measured.	See comments in 2.828
2.831.	Bupa	A1	Is the management body supposed to sign this somewhere?	No – quantitative data will all be provided electronically under Level 2 proposals
2.832.	CEA, ECO-SLV-09-453	A1	Major work might be needed within companies depending on LoB structure.  On the non-life premium – top 5 are required to be disclosed: how does Ceiops define top 5, by reference of premium? Or amount of technical provision?  The SCR is to be calculated on an annual basis. In this format it seems a quarterly calculation is required (see 4).	The precise details of the templates will be addressed at Level 3

			In the SCR a special component is reserved for health insurance. Should this not be reflected in the reporting formats?	
2.833.	CRO Forum	A1	In relation to non-life premium – top 5 are required to be disclosed: we would ask how are these defined?  In the SCR a special component is reserved for health insurance. We would ask whether this should be reflected in the reporting formats?	See comments on 2.832
2.834.	DENMARK: Codan Forsikring A/S (10529638)	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.835.	DIMA (Dublin International Insurance & Management	A1	The principle of proportionality should apply for captive undertakings with sufficient data being supplied to satisfy requirements of regulator.	Noted. The application of the proportionality principle to quantitative data will be addressed at Level 3
2.836.	KPMG ELLP	A1	It is proposed that the same templates are completed by both individual entities and groups. The basis on which the templates have been prepared should be made clear in the 'static data' on the coversheet.  Lines 14-23 – analysis of premiums written by 'top 5 lines of business' – 'line of business' should be defined in the instructions to the template.  Line 24 – 'claims paid' – we consider that 'claims incurred' would be a more meaningful figure to disclose on the coversheet than 'claims paid'.  Line 25 – 'expenses' – 'new business' expenses are required to be disclosed for non-life but not for life. It would be useful to also require disclosure of this figure for life.  Lines 24-32 – it would be useful to require disclosure of comparative figures, consistent with the requirement for 'premiums written'.	Noted.
2.837.	Link4 Towarzystw o	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829

	Ubezpieczeń SA			
2.838.	NORWAY: Codan Forsikring (Branch Norway) (991 502	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.839.	RSA Insurance Group PLC	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.840.	RSA Insurance Ireland Ltd	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.841.	RSA - Sun Insurance Office Ltd.	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.842.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	A1	Unclear whether this represents a technical account, if so, expense information is incomplete.	See comments on 2.829
2.843.	Federation of European Accountants (FEE)	This relates more to 3.96 and 3.99	<p>A1 Business and external environment: Assuming that the SFCR should include factual information, we consider there would be benefits for preparers and users if the SFCR included information on material changes in the business environment and an explanation on the sources of earnings.</p> <p>A3 Performance from investment activities: In our view, Paragraph 3.99 d) of the Paper on the impact of intangible assets does not belong to this debate. Moreover, key assumptions should also be part of the SFCR, especially in order to support “lower level” fair value measurement.</p>	<p>Noted</p> <p>It is not clear why not. This is a retrospective section in the SFCR so it is not clear how assumptions are relevant.</p>
2.844.	Federation	This relates	B3 Risk management information: The link between the proof on decision usefulness of information (RTS) and the key performance indicators/key risk	Noted



	of European Accountants (FEE)	more to 3.323 and 3.329	<p>indicators according to the SFCR could be made explicit.</p> <p>B7 Actuarial function: It is not entirely clear what information should be provided in the RTS (e.g. descriptions of the work to be carried out and carried out, the results of the work performed, experience to assumption analyses and comments thereon). It is recommended to discuss these types of information separately.</p>	This may be addressed at Level 3
2.845.	Federation of European Accountants (FEE)	This relates more to 3.347 and 3.352	<p>C8 The nature of material risk exposures: In the absence of explicit argumentation why derivative instruments and structured products would give rise to the most material risks, we assume that this point of view results from the recent market turmoil. However, we suggest it is preferable to keep the Level 2 implementing measures on a more conceptual level and refrain from “hard-coding” contemporary situations. Specific supervisory guidance should address the actual themes from time to time.</p> <p>C10 Risk mitigation practices: We would expect a clearer link between future plans on risk mitigation (required in the RTS) and future developments in risk exposures (C8 and C9). In addition, it could be made clearer what information on future expectations and which information on future plans is required.</p>	<p>Noted</p> <p>Noted</p>
2.846.	Association of British Insurers	Annex D	<p>We have a number of general comments on the proposed quantitative reporting templates:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The templates do not split an entity’s business between sub-funds (for example, between a with-profits fund and a non-profits fund).</li> <li><input type="checkbox"/> None of the proposed forms provide an analysis of movements between the opening and closing balance sheets.</li> </ul> <p>It is also worth noting that in the UK the current regulatory returns form the basis for the tax calculation of life insurance firms and the proposed templates do not contain some of the information currently used for this purpose.</p>	<p>Noted</p> <p>Taxation purposes are out of scope of harmonization.</p>
2.847.			Confidential comment deleted	

2.848.	CEA, ECO-SLV- 09-453	Annex D	<p>In general there is a considerable further explanation and discussion to be had in order to clarify Ceiops' intentions in relation to individual template line-items.</p> <p>We note that formal consultation on the quantitative reporting templates is postponed to Level 3. Nevertheless we are pleased to provide general feedback on the current drafts of these templates. In general there is a considerable further explanation and discussion to be had in order to clarify Ceiops intentions in relation to individual template line-items. Undertakings are likely to face considerable obstacles in complying with the proposals as they stand. In addition, internally used data-models may require amendment, with such changes requiring sufficient lead-time and resource allocation for successful implementation. Some of the details currently foreseen do not seem to fit into an economic value framework for balance sheet and financial reporting purposes.</p> <p>Also the suggested quantitative reporting templates can only be used when applying the standard formula, as the internal model might use a different segmentation.</p> <p>In general we would suggest admit undertakings to report information details according to their internal management view. Firstly this will reflect appropriate risk categorisation. Secondly it will help avoid high cost.</p> <p>We also have a number of specific comments on the proposed quantitative reporting templates:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The templates do not split an entity's business between sub-funds (for example, between a with-profits fund and a non-profits fund).</li> <li><input type="checkbox"/> None of the proposed forms provide an analysis of movements between the opening and closing balance sheets.</li> </ul>	<p>Noted. See 2846.</p> <p>Reporting segmentation may differ from SCR segmentation (whether on SF or IM calculations).</p> <p>On using internal reporting, CEIOPS disagrees because such information is not comparable. However, internal risk categorisation could be used for some templates: this requires further investigation.</p>
2.849.	CRO Forum	Annex D	<p>We note that formal consultation on the quantitative reporting templates is postponed to Level 3. Ideally this would be handled as part of an integrated package under Level 2. Nevertheless we here provide general feedback on</p>	Noted.

			<p>the current drafts of these templates. In general there is a considerable further explanation and discussion to be had in order to clarify CEIOPS intentions in relation to individual template line-items. Undertakings are likely to face considerable obstacles in complying with the proposals as they stand. In addition, internally used data-models may require amendment, with such changes requiring sufficient lead-time and resource allocation for successful implementation. Some of the details currently foreseen do not seem to fit into an economic value framework for balance sheet and financial reporting purposes.</p> <p>Further guidance and explanations will be required on CEIOPS' intentions and template items. There are considerable obstacles for undertakings to comply with the proposals as they stand since internally used data models may require changes and corresponding lead-time for implementation.</p>	
2.850.	Danish Insurance Association	Annex D	The information on investment data is of such a specific nature that it shouldn't be disclosed as a part of SFCR due to considerations on competition. The required detailed list of individual investments mentioned in 3.451 shouldn't also appear in D1 to D4.	It has not been decided yet which templates would be publicly disclosed.
2.851.			Confidential comment deleted	
2.852.	European Insurance CFO Forum	Annex D	<p>Further guidance and explanations will be required on CEIOPS' intentions and template items.</p> <p>There are considerable obstacles for undertaking to comply with current proposals as they stand as internally used data models may require changes and corresponding lead-time for implementation.</p> <p>Some of the details observed do not particularly fit into an economic value framework for balance sheet and financial reporting processes.</p>	Noted.
2.853.	Federation of European Accountants (FEE)	Annex D	<p>D Regulatory balance sheet: Regulatory dialogue (e.g. on asset or liability measurement) is confidential. It is important to develop solutions on the communication of the outcome of regulatory dialogue concerning the implication for future periods, in order to prevent that such dialogue would affect the auditors' opinion when it is yet to be finalised.</p> <p>There are apparent inconsistencies between the subset of audited</p>	<p>Noted</p> <p>Summary of investments by class will not necessarily be asked for if</p>

			<p>information reported upon by the external auditor one the hand and the SFCR, RTS and quantitative templates on the other. Examples are:</p> <ul style="list-style-type: none"> <li>- We are not sure as to whether the summary of investments by class is covered by template D5;</li> <li>- We are not sure as to whether the expected maturities of assets and liabilities are covered by disclosure C8. The information requested in this disclosure does not embed the expected maturities on insurance liabilities, relates to the contractual maturities of other liabilities and does not consider assets;</li> <li>- We could not find the basis and assumptions for revenue and expense recognition.</li> </ul>	a detailed list of investments is provided.
2.854.			Confidential comment deleted	
2.855.	German Insurance Association – Gesamtverb and der D	Annex D	<p>In general there is a considerable further explanation and discussion to be had in order to clarify CEIOPS' intentions in relation to individual template line-items.</p> <p>We note that formal consultation on the quantitative reporting templates is postponed to Level 3. Nevertheless we are pleased to provide general feedback on the current drafts of these templates. In general there is a considerable further explanation and discussion to be had in order to clarify CEIOPS intentions in relation to individual template line-items. Undertakings are likely to face considerable obstacles in complying with the proposals as they stand. In addition, internally used data-models may require amendment, with such changes requiring sufficient lead-time and resource allocation for successful implementation. Some of the details currently foreseen do not seem to fit into an economic value framework for balance sheet and financial reporting purposes.</p> <p>Also the suggested quantitative reporting templates can only be used when applying the standard formula, as the internal model might use a different segmentation.</p> <p>In general we would suggest admit undertakings to report information details according to their internal management view. Firstly this will reflect appropriate risk categorisation. Secondly it will help avoid high cost.</p>	Noted. See 2848.

			<p>We also have a number of specific comments on the proposed quantitative reporting templates:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The templates do not split an entity's business between sub-funds (for example, between a with-profits fund and a non-profits fund).</li> <li><input type="checkbox"/> None of the proposed forms provide an analysis of movements between the opening and closing balance sheets.</li> </ul>	
2.856.	KPMG ELLP	Annex D	<p>General comments</p> <p>We note that the templates are at a very early stage of development and are therefore subject to change. There are also few instructions with respect to their completion or any details of any validation checks, both of which will be needed in order to ensure consistent completion. Our comments are therefore intended to help in this process.</p> <p>There does not appear to be a clear structure to the QRT and we found the order confusing. We would prefer to see the detailed analyses for life included together and the detailed analyses for non-life included together.</p> <p>Templates B1 onwards do not require disclosure of comparative figures. We consider that the inclusion of comparative figures would be useful to the user where practical eg B1, B2A, B2B,C1, C2, E1, E2, E3, E4.</p>	<p>The structure of QRT will be addressed at Level 3.</p> <p>Templates are intended as a means of getting data from the undertaking to the supervisory authority and as such do not require comparative data to be provided.</p>
2.857.	Lloyd's	Annex D	<p>It is unclear which of the quantitative reporting templates are to be included in the (public) SFCR and thereby disclosed in public. Early clarification is required.</p>	<p>Noted. This will be addressed at Level 3</p>
2.858.	Munich RE	Annex D	<p>MR notes that formal consultation on the quantitative reporting templates has been postponed to Level 3. Nevertheless it is pleased to provide general feedback on the current drafts of these templates. In general there is a need for considerable further explanation and discussion to clarify CEIOPS' intentions in relation to individual template line-items. Undertakings are likely</p>	<p>See comments on 2.849</p>

			<p>to face considerable obstacles in complying with the proposals as they stand. In addition, internally used data-models may require amendment, with such changes requiring sufficient lead-time and resource allocation for successful implementation. Some of the details currently foreseen do not seem to fit into an economic value framework for balance sheet and financial reporting purposes.</p> <p>Also, the suggested quantitative reporting templates can only be used when applying the standard formula, as the internal model might use a different segmentation.</p> <p>In general we would suggest that undertakings be permitted to report information according to their internal management view. Firstly, this will reflect appropriate risk categorisation and secondly it will help avoid high costs.</p>	See comments on 2.848, 3 <sup>rd</sup> and 4 <sup>th</sup> paragraphs
2.859.	Pearl Group Limited	Annex D	<p>We have a number of general comments on the proposed quantitative reporting templates:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The templates do not split an entity's business between sub-funds (for example, between a with-profits fund and a non-profits fund).</li> <li><input type="checkbox"/> None of the proposed forms provide an analysis of movements between the opening and closing balance sheets.</li> </ul> <p>It is also worth noting that in the UK the current regulatory returns form the basis for the tax calculation of life insurance firms. The proposed templates do not contain some of the information currently used by the UK tax authorities and so they cannot be used as they stand for the completion of tax returns.</p>	<p>See comments on 2.848, 5<sup>th</sup> paragraph</p> <p>See comments on 2.846, final paragraph</p>
2.860.				
2.861.	CEA, ECO-SLV-09-453	Annex E	We consider that the process for defining "rejected data requirements" should be carried out more rigorously in the interests of achieving the appropriate balance between transparency and cost in the interests of policyholders.	As indicated, the data requirements will be reconsidered in further discussions ahead of determining the requirements at Level 3.
2.862.	CRO Forum	Annex E	We consider that the process for defining "rejected data requirements" should	See comments on 2.861

			be carried out more rigorously in the interests of achieving the appropriate balance between transparency and cost in the interests of policyholders.	
2.863.	European Insurance CFO Forum	Annex E	The CFO Forum considers that the process for defining “rejected data requirements” should be carried out more rigorously in the interests of achieving the appropriate balance between transparency and cost in the interests of policyholders.	See comments on 2.861
2.864.	Federation of European Accountants (FEE)	This is believed to relate to para 3.367	E2 Minimum capital requirement and solvency capital requirement: The RTS requires future development of the SCR. We would expect this information integrated with the Own Risk and Solvency Assessment (ORSA).	The ORSA itself is not provided to the supervisory authorities, therefore this has to be expressly provided.
2.865.			Confidential comment deleted	
2.866.	German Insurance Association – Gesamtverb and der D	Annex E	We consider that the process for defining “rejected data requirements” should be carried out more rigorously in the interests of achieving the appropriate balance between transparency and cost in the interests of policy holders.	See comments on 2.862
2.867.	KPMG ELLP	Annex E	We consider that the inclusion of the additional data listed should be considered further which the exception of point 1 – Investments detail and point 6 – Quarterly data. The information listed in points 2, 3 and 5 is currently required to be reported in the UK regulatory return.	As indicated, the case for collecting the data listed in Annex E is not clear cut. However, in arriving at the reporting requirements at Level 3, final decisions will be made on the inclusion (or continued exclusion) of some or all of that range of data.
2.868.	Association of British Insurers	B1	What does line 10 “current year profit / loss include”?	Noted. This will be addressed at Level 3.
2.869.	CEA, ECO-SLV-09-453	B1	We would like to know why the value of business-in-force is not included in the list of items to be reported.	Noted.

2.870.	FFSA	B1	FFSA is wondering why the value of business in-force is not including in the list of items reported.	See comment 2869.
2.871.	KPMG ELLP	B1	Lines 32 and 34 – it would be useful to show the analysis of the adjustments made to ‘own funds’ in order to determine those eligible to meet the MCR and SCR on the face of this template.	Noted.
2.872.	KPMG ELLP	B2A	<p>Line 6 – ‘Aggregation (diversification effect)’ a total figure is included here, however diversification effects are also identified on the individual supporting templates (B3A, B3C, B3D, B3E). It should be made clear in the instructions how the total figures shown in lines 1-6 of this template tie back to the figures shown on templates B3A, B3B, B3C, B3D, B3E and B3F.</p> <p>Line 7 – ‘partial internal model’ – an additional line should be included to disclose the ‘date of formal approval of the ‘partial internal model’” consistent with the requirement in line 4 of template B2B with respect to full internal models.</p>	Noted.
2.873.	AAS BALTA	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	Noted. CEIOPS doesn’t understand the comment according to which the standard format would be unworkable under 110 (7). The format will be used for SCR calculations under the Standard Formula, including for firms under IM for an indefinite period where they might have to also estimate the SCR in accordance with the SF.
2.874.	AB Lietuvos draudimas	B3A	It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are	See comment 2873.



			<p>included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	
2.875.	DENMARK: Codan Forsikring A/S (10529638)	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	See comment 2873.
2.876.	KPMG ELLP	B3A	It appears that this template is only required to be completed for the market risk element of the SCR which have been calculated using the standard	Noted. This will be addressed at

			<p>formula or a simplification of it (or with respect to the standard formula if required under Art 110(7) to be disclosed for firms using an internal model). Column D however asks for disclosure of how each line has been calculated – standard formula/ partial internal model/ simplification. This is somewhat confusing as it appears that the intention is that all figures shown on this template should be calculated using the standard formula or a simplification of it and it does not appear that figures generated by a partial internal model should actually be included on this template. This should be clarified.</p> <p>Where it is disclosed in column D that a ‘simplification’ of the standard formula has been used, it should be a requirement to disclose brief details (perhaps in an addition column E).</p> <p>The relationship between column A and columns B and C should be made clear. Presumably <math>A = B - C</math>.</p> <p>It would be helpful to include totals for columns A, B and C to facilitate agreement between line 1 of template B2A and column A of template B3A.</p>	Level 3
2.877.	Link4 Towarzystw o Ubezpieczeń SA	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	See comment 2873.
2.878.	NORWAY: Codan	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are</p>	See comment 2873.

	Forsikring (Branch Norway) (991 502		<p>included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	
2.879.	RSA Insurance Group PLC	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	See comment 2873.
2.880.	RSA	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are</p>	See comment 2873.

	Insurance Ireland Ltd		<p>included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	
2.881.	RSA - Sun Insurance Office Ltd.	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	See comment 2873.
2.882.	SWEDEN:	B3A	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are</p>	See comment 2873.

	Trygg-Hansa Försäkrings AB (516401-7799)		<p>included if this is not the case:</p> <p>Article 110(7) states “After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings may, by a decision stating the reasons, be required to provide supervisory authorities with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2.”</p> <p>If this is required under 110(7) then the format of the disclosure should be agreed with the regulator on a case by case basis rather than having an unworkable standard format.</p> <p>B3A does not appear to make sense for an internal model. This form seems to assume that all the risks are assessed separately and then an explicit correlation is applied, however if the internal model is based on an integrated economic scenario generator it is not clear how you would separate out “interest rate up risk”, etc.</p>	
2.883.	AAS BALTA	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See comment 2873.
2.884.	AB Lietuvos draudimas	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.885.	CEA, ECO-SLV-09-453	B3B	<p>How should letters of credit etc be handled?</p> <p>How to handle count def risks other than reinsurance?</p>	Noted.

2.886.	CRO Forum	B3B	Further clarification is required around the treatment of letters of credit and counterparty default risk other than reinsurance.	See 2885.
2.887.	DENMARK: Codan Forsikring A/S (10529638)	B3B	It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:  The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.	See 2873.
2.888.			Confidential comment deleted	
2.889.	European Insurance CFO Forum	B3B	Further clarification is required around the treatment of letters of credit and counterparty default risk other than reinsurance.	See 2885.
2.890.	KPMG ELLP	B3B	It appears that this template is only required to be completed for the counterparty default risk element of the SCR which have been calculated using the standard formula (or with respect to the standard formula if required under Art 110(7) to be disclosed for firms using an internal model). Column B however asks for disclosure of how each line has been calculated – standard formula or partial internal This is somewhat confusing as it appears that the intention is that all figures shown on this template should be calculated using the standard formula and it does not appear that figures generated by a partial internal model should actually be included on this template. This should be clarified.  It would be helpful to include a total for column A, to facilitate agreement between line 2 of template B2A and column A of template B3B. It is suggested that totals are also included for Type 1 and Type 2 exposures.  The template should clarify what is meant by a 'Type 1' and 'Type 2' exposure, particularly if the template is to be included as part of the SFCR.  The instructions should state that when determining large reinsurance counterparties for the purposes of disclosure, exposures to reinsurers which are members of the same group should be aggregated.  It should also be a requirement to indicate on the template where the reinsurer is part of the same group as the entity for which the template is	See 2876. Noted.

			<p>being prepared.</p> <p>Reinsurance debtors should be disclosed in relation to each counterparty in addition to disclosure of reinsurers' share of technical provisions and deposits. The total of these three items should be disclosed for each reinsurer in order show the total counterparty exposure.</p> <p>'Deposits from reinsurers' should be 'deposits with reinsurers'.</p>	
2.891.	Link4 Towarzystw o Ubezpieczeń SA	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.892.	NORWAY: Codan Forsikring (Branch Norway) (991 502	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.893.	RSA Insurance Group PLC	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.894.	RSA Insurance Ireland Ltd	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus</p>	See 2873.

			would fail use test.	
2.895.	RSA - Sun Insurance Office Ltd.	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.896.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	B3B	<p>It is understood that this form is only required for a standard, or part standard model, however, as this is not entirely clear, the following comments are included if this is not the case:</p> <p>The same issues apply as for B3A. This only works if you build an internal model that exactly replicates the standard formula. This is not a desirable outcome as such a model is unlikely to be used in the business and thus would fail use test.</p>	See 2873.
2.897.	Association of British Insurers	B3C	What does “capital at risk” mean – is it the sum payable on death or the sum payable on death less the technical provisions? What does “duration” mean here? The usefulness of the additional information on the lapse stress is not obvious.	Noted. This is likely to be addressed at Level 3
2.898.	CEA, ECO-SLV-09-453	B3C	<p>Regarding lines 1 to 9 for the internal model: figures will be calculated by use of an integrated internal model. Therefore the separation of single risk drivers (e.g. lapse up risk) does not make sense and is only possible by rough approximation.</p> <p>(11-28) Insurers are selling many products. Some of these have similar characteristics. We expect that rather than disclosing this information on product level, undertakings could disclose homogenous risk groups?</p> <p>We suggest that only the required basic information should be provided as the additional information does not correspond to the way each risk is calculated.</p> <p>Regarding lines 12, 13, 15, 16, 18-25: data is not available, some parts may be calculated with huge effort and/or rough approximations for life</p>	<p>See 2876.</p> <p>Noted for the rest.</p>



			reinsurance business. The effort to produce such data as average age of the exposed population should be balanced carefully against the gain in relevant information for supervisors i.e. how and to what aim would the data be used by the supervisors?	
2.899.	CRO Forum	B3C	(11-28) Where products have similar characteristics, rather than reporting at product level, homogenous risk groups would be appropriate.	Noted. This is likely to be addressed at Level 3.
2.900.	FFSA	B3C	FFSA suggests providing only the required basic information as the additional information does not correspond to the way of the each risk is calculated.	See 2898.
2.901.	KPMG ELLP	B3C	<p>It appears that this template is only required to be completed for the life underwriting risk element of the SCR which have been calculated using the standard formula or with specific parameters (or with respect to the standard formula if required under Art 110(7) to be disclosed for firms using an internal model). Column D however asks for disclosure of how each line has been calculated – standard formula/ with specific parameters / partial internal model. This is somewhat confusing as it appears that the intention is that all figures shown on this template should be calculated using the standard formula or with specific parameters and it does not appear that figures generated by a partial internal model should actually be included on this template. This should be clarified.</p> <p>Where it is disclosed in column D that the standard formula 'with specific parameters' has been used, it should be a requirement to disclose brief details (perhaps in an addition column E).</p> <p>The relationship between column A and columns B and C should be made clear. Presumably <math>A = B - C</math>.</p> <p>It would be helpful to include totals for columns A, B and C to facilitate agreement between line 3 of template B2A and column A of template B3C.</p> <p>In the first column of the table of 'Additional information' it would be helpful to include totals for each risk category to facilitate agreement to the table of 'Basic information'. We assume that figures in the 'TOTAL' column of the table of 'Additional information' should agree to column B of the table of 'Basic information'. In any case the way that the figures in the two tables are expected to tie up should be made clear.</p> <p>It is noted on the face of the template that 'We will need to define 'Products''</p>	See 2876.

			for the purposes of disclosure in the table of 'Additional information'. We agree that this would be desirable, however we are not sure how practical this will be given the diversity of life products written in the EEA.	
2.902.	Munich RE	B3C	<p>Regarding lines 1 to 9 for the internal model, figures will be calculated using an integrated internal model. Therefore, the separation of single risk drivers (e.g. lapse up risk) does not make sense and is only possible by rough approximation.</p> <p>Regarding lines 12,13,15,16,18-25, data is not available, some parts may be calculated with huge effort and/or rough approximations for life reinsurance business. The effort to produce data such as the average age of the exposed population should be balanced carefully against the gain in relevant information for supervisors, i.e. how and to what end would the data be used by the supervisors?</p>	See 2898.
2.903.	AAS BALTA	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	Noted.
2.904.	AB Lietuvos draudimas	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.905.	DENMARK: Codan Forsikring A/S (10529638)	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.906.	KPMG ELLP	B3D	<p>It appears that this template is only required to be completed for the health underwriting risk element of the SCR which have been calculated using the standard formula or with specific parameters (or with respect to the standard formula if required under Art 110(7) to be disclosed for firms using an internal model). Column D however asks for disclosure of how each line has been calculated – standard formula/ with specific parameters / partial internal model. This is somewhat confusing as it appears that the intention is that all figures shown on this template should be calculated using the standard formula or with specific parameters and it does not appear that figures generated by a partial internal model should actually be included on this template. This should be clarified.</p> <p>Where it is disclosed in column D that the standard formula 'with specific</p>	See 2876.

			<p>parameters' has been used, it should be a requirement to disclose brief details (perhaps in an addition column E).</p> <p>The relationship between column A and columns B and C should be made clear. Presumably A= B-C .</p> <p>It would be helpful to include totals of lines 1 and 2 for columns A, B and C to facilitate agreement between line 4 of template B2A and column A of template B3D.</p> <p>It would be helpful to include totals for rows 3-15 and 16-19 in column A to facilitate agreement with the figures shown for total risks in lines 1 and 2 of column A.</p>	
2.907.	Link4 Towarzystw o Ubezpieczeń SA	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.908.	NORWAY: Codan Forsikring (Branch Norway) (991 502	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.909.	RSA Insurance Group PLC	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.910.	RSA Insurance Ireland Ltd	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.911.	RSA - Sun Insurance Office Ltd.	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.
2.912.	SWEDEN:	B3D	Clarification on what business is covered under by SLT/non-SLT Health.	See 2903.

	Trygg-Hansa Försäkrings AB (516401- 7799)			
2.913.	AAS BALTA	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.914.	AB Lietuvos draudimas	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.915.	DENMARK: Codan Forsikring A/S (10529638)	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.916.	KPMG ELLP	B3E	<p>It would be helpful to include totals for each column and an overall total column to facilitate agreement between line 5 of template B2A and template B3E.</p> <p>It is not clear from the template how the figures for 'premium risk' and 'reserve risk' in lines 1 and 2 are to be derived from the figures / parameters in lines 5-10. This should be clarified in the instructions to the template.</p> <p>An instruction should be included to clarify what should be disclosed in column 11 ('How calculated').</p> <p>We note that the relevant lines to facilitate calculation of catastrophe risk are outstanding and will be 'derived following CEIOPS consultation').</p>	See 2876. Noted for the rest.
2.917.	Link4 Towarzystw o Ubezpieczeń SA	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.918.	NORWAY: Codan Forsikring (Branch Norway)	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.

	(991 502			
2.919.	RSA Insurance Group PLC	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.920.	RSA Insurance Ireland Ltd	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.921.	RSA - Sun Insurance Office Ltd.	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.922.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	B3E	We require clarification on the definitions 1 to 11. Uncertain that it is possible to complete this table using an internal model.	See 2873.
2.923.	Bupa	B3F	What is meant by “earned premium”? Under the proposed valuation standard (both CEIOPS’ and the IASB’s), it is not clear that earned premium will mean what it does now since premium will not be earned on a straight-lined basis but rather by risk expiration (due to the recognition of profit at renewal and then movements in the risk margins and pre-claim liability). Should this properly be related to written premium, or has something not been thought through here? Is CEIOPS anticipating straight-line amortised “earned premiums” in this form?	Noted. This is likely ot be addressed at Level 3.
2.924.	KPMG ELLP	B3F	It appears that this template is only required to be completed for the operational risk element of the SCR which have been calculated using the standard formula (or with respect to the standard formula if required under Art 110(7) to be disclosed for firms using an internal model). Column B however asks for disclosure of how each line has been calculated – standard formula/ partial internal model. This is somewhat confusing as it appears that the intention is that all figures shown on this template should be calculated using the standard formula and it does not appear that figures generated by a partial internal model should actually be included on this template. This should be clarified.  It is stated that the figures in lines 6 and 15 result from a calculation. The	See 2876. Noted for the rest.

			<p>underlying formulae will need to be supplied in the instructions. It also appears that line 12 results from a calculation although this is not stated on the template.</p> <p>It would be helpful to include a total for lines 6 and 15 to facilitate agreement between line 10 of template B2A and template B3F.</p>	
2.925.	KPMG ELLP	B4A	<p>It is not explained in what circumstances B4A should be completed with respect to the MCR and in what circumstances B4Q should be completed or whether one template feeds into the other.</p> <p>It is also not clear which MCR figure on which line of either B4A or B4Q should agree to the MCR shown in line 1 of template A1.</p> <p>The instructions should make clear the relationship between the various cells on the template as this currently not particularly clear.</p> <p>There are various calculations which are required to be performed based on figures included in various lines in the template. Details of the underlying formulae will need to be provided in the instructions to the template.</p>	Noted. This is likely to be addressed at Level 3.
2.926.	AAS BALTA	B4Q	Asterisk without explanation.	Noted.
2.927.	AB Lietuvos draudimas	B4Q	Asterisk without explanation.	See 2926.
2.928.	CEA, ECO-SLV-09-453	B4Q	Definition of “administrative expenses” is needed.	Noted.
2.929.	CRO Forum	B4Q	We would ask for the definition of “administrative expenses”.	See 2928.
2.930.	DENMARK: Codan Forsikring A/S (10529638)	B4Q	Asterisk without explanation.	See 2926.
2.931.	European Insurance CFO Forum	B4Q	What is the definition of “administrative expenses”?	See 2928.
2.932.	KPMG ELLP	B4Q	It is not explained in what circumstances B4A should be completed with	See 2925.

			<p>respect to the MCR and in what circumstances B4Q should be completed or whether one template feeds into the other.</p> <p>It is also not clear which MCR figure on which line of either B4A or B4Q should agree to the MCR shown in line 1 of template A1.</p> <p>The instructions should make clear the relationship between the various cells on the template as this currently not particularly clear.</p> <p>There are various calculations which are required to be performed based on figures included in various lines in the template. Details of the underlying formulae will need to be provided in the instructions to the template.</p>	
2.933.	Link4 Towarzystw o Ubezpieczeń SA	B4Q	Asterisk without explanation.	See 2926.
2.934.	NORWAY: Codan Forsikring (Branch Norway) (991 502	B4Q	Asterisk without explanation.	See 2926.
2.935.	RSA Insurance Group PLC	B4Q	Asterisk without explanation.	See 2926.
2.936.	RSA Insurance Ireland Ltd	B4Q	Asterisk without explanation.	See 2926.
2.937.	RSA - Sun Insurance Office Ltd.	B4Q	Asterisk without explanation.	See 2926.
2.938.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-	B4Q	Asterisk without explanation.	See 2926.

	7799)			
2.939.	AAS BALTA	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	Noted. This is likely to be addressed at Level 3.
2.940.	AB Lietuvos draudimas	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.941.			Confidential comment deleted	
2.942.	Belgian Coordination Group Solvency II (Assuralia/	C1	See general comment.	Noted.
2.943.	Bupa	C1	Where is the year on year balance sheet movements and comparatives? This seems like this would be something basic many parties would wish to see.	See 2856.
2.944.	CEA, ECO-SLV-09-453	C1	<p>We consider proposed requirements to be unclear. We think that the balance sheet structure used under QIS 4 would be more appropriate. Any changes in undertakings' balance sheet data models will require sufficient lead-time.</p> <p>The section "Memorandum items / off-balance sheet items" does not make sense. An economic balance sheet will include all assets and liabilities that are relevant.</p>	<p>CEIOPS would appreciate further explanations on why the QIS 4 Balance Sheet is considered more appropriate.</p> <p>CEIOPS will review this.</p>
2.945.	CRO Forum	C1	We consider the proposed requirements to be unclear. Any changes in undertakings' balance sheet data models will require sufficient lead-time.	Noted.



2.946.	DENMARK: Codan Forsikring A/S (10529638)	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.947.	Dexia	C1	This table is not applicable to IFRS accounts, it should be modified if supervisors want to receive consolidated figures.	This Balance Sheet aims to be appropriate to Solvency II valuation rules, which may differ from IFRS.
2.948.			Confidential comment deleted	
2.949.	European Insurance CFO Forum	C1	The CFO Forum considers the proposed requirements to be unclear. Any changes in undertakings' balance sheet data models will require sufficient lead-time.	Noted.
2.950.	European Union member firms of Deloitte Touche To	C1	<p>We consider that in disclosing fair values, financial assets and financial liabilities should be grouped into classes. There is no definition within Solvency II of "class". However, IFRS 7 provides the following clarification as it relates to financial instruments:</p> <p>"When this IFRS requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments."</p> <p>For financial instruments, the classes disclosed under Solvency II should be consistent with the IFRS definition.</p> <p>We consider there are three options:</p> <ol style="list-style-type: none"> <li>1) Use the same line items as existing IFRS reporting (within the balance sheet or as given in the notes to the financial statements);</li> <li>2) Provide further analysis than existing IFRS reporting</li> <li>3) Provide further analysis but ensure consistency with IFRS reporting by changing what is currently disclosed.</li> </ol>	Noted. This will be addressed at Level 3.

			<p>Our view is that it is important to link IFRS and Solvency II disclosures as far as possible. This will not only be beneficial in terms of preparation and reconciliation of the disclosures but also provides a clearer understanding for the supervisor by having a consistent definition of class and linkage between different forms of disclosure. This could potential reduce the level of regulatory queries by avoiding questions on how the Solvency II reporting reconciles to IFRS. We believe a clear definition of “class” is required regardless of the option selected above.</p> <p>The CP sets out a proposed format for balance sheet in C1. The distinction between “investments other than property” and “financial assets (other than cash or debtors)” in C1 is not clear as certain assets could fall into both classifications. We recognise that CEIOPS has proposed that they will provide clarification guidance at Level 3 for the elements of the quantitative reporting templates but we consider that the captions should produce clarity in their own respect by using IFRS terminology.</p>	
2.951.	FFSA	C1	FFSA is wondering why the value of business in-force is not including in the list of items reported.	Noted.
2.952.	KPMG ELLP	C1	<p>This template appears to be at quite an early stage in its development and therefore we have a significant number of comments which are outlined below.</p> <p>It would be helpful to provide comparative figures for columns A and B.</p> <p>It would be helpful to include an additional column (column C) for each year showing the difference between the Solvency II value and the statutory accounts value (ie A-B).</p> <p>There should be a requirement to provide an explanation in the SFCR / RTS for significant differences between Solvency II and statutory accounts values.</p> <p>On a liabilities side of the balance sheet a difference is anticipated between the Solvency II value and the statutory accounts with respect to the treatment of investment funds. However, no difference is anticipated on the assets side of the balance sheet. An instruction will need to included with respect to the treatment of linked assets for Solvency II purposes. In the statutory accounts in some jurisdictions linked assets are treated as a single line item in the statutory accounts (which is not envisaged on the template).</p> <p>It is not clear to us what would be included in line 6 – ‘Financial assets (other</p>	<p>Noted. This will be addressed at Level 3.</p> <p>Regarding the explanation for signification differences between SII and statutory account values, this is already provided in SFCR / RTS.</p>

			<p>than cash or debtors)' in addition to items disclosed in lines 1-5 and 7. We suggest that this items is renamed 'Other financial assets' and that disclosure is required in the SFCR / RTS of exactly what this item relates to.</p> <p>Line 9 relates to 'Reinsurance recoveries' it is however not clear where reinsurance deposits made with reinsurers should be included (on the liabilities side deposits from reinsurers are shown). It would also be useful to require an analysis of reinsurance recoveries between those relating to technical provisions and reinsurance debtors.</p> <p>It appears inconsistent that gross technical provisions are shown separately for non-life and life whereas reinsurance recoveries are combined.</p> <p>It is not clear to us what is meant by 'regularisation accounts' referred to on both the assets and liabilities side of the balance sheet. On the liabilities side this could be a reference to 'equalisation provisions' (in which case it appears that these will not be a Solvency II liability) however it is not clear what these relate to on the assets side of the balance sheet.</p> <p>A reconciliation should be required between 'total own funds (eligible and ineligible)' disclosed in line 48 of template C1 and 'total basic own funds' disclosed in line 18 of template B1.</p> <p>Line 44 currently shows the Fund for Future Appropriations as not being part of 'own funds' for Solvency II purposes. Clarification should be provided on where the Fund for future appropriations / Unappropriated surplus should be included, e.g. in line 41 (surplus funds</p> <p>Memorandum / off balance sheet items are disclosed in lines 48-53. This disclosure needs to be considered further in order to be useful to the user. Not all the off balance sheet items listed will actually be disclosed in the statutory accounts. Disclosure will need to be made of the reason why any items disclosed have been treated differently for Solvency II purposes (eg recognition as 'Ancillary own funds').</p>	
2.953.	Link4 Towarzystw o Ubezpieczeń SA	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.

2.954.	Munich RE	C1	<p>We consider the proposed requirements to be unclear. We think that the balance sheet structure used under QIS 4 would be more appropriate. Any changes in undertakings' balance sheet data models will require sufficient lead-time.</p> <p>The section "Memorandum items/off-balance-sheet items" does not make sense. An economic balance sheet will include all assets and liabilities that are relevant.</p>	See 2944.
2.955.	NORWAY: Codan Forsikring (Branch Norway) (991 502	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.956.	RSA Insurance Group PLC	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.957.	RSA Insurance Ireland Ltd	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.958.	RSA - Sun Insurance Office Ltd.	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.

2.959.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	C1	<p>There is not a category for allowable prepayments.</p> <p>48 to 49: if off balance sheet then must be value 0, therefore what does column b mean?</p> <p>There may not be consolidated statutory accounts equivalent to the sub-group solvency requirements. Please explain what to do in such circumstances.</p>	See 2940.
2.960.	Association of British Insurers	C2	Splitting the movement looks arbitrary.	Noted. See 2963.
2.961.			Confidential comment deleted	
2.962.	Belgian Coordination Group Solvency II (Assuralia/	C2	<p>Cf. remark on C1.</p> <p>In addition, we outline that deposit accounting on Investment contracts without dpf has an obvious impact on the profit and loss depending of the accounting framework considered (local GAAPs vs IFRS).</p>	Noted. See 2963.
2.963.	CEA, ECO-SLV- 09-453	C2	<p>Row 26: Expenses allocated to individual claims would cause big problems. Or is by this meant claims management costs based on the cost allocation to activities. Are all the other allocated costs (policy handling and acquisition costs) shown under row 24 expenses attributable to the new business?</p> <p>Unclear what is meant by inwards/outwards transfer of portfolio. (21 and 29)</p> <p>Premiums receivable data on underwriting year basis does not exist for all companies.</p> <p>We consider that it would be difficult to bring economic investment income and profits into the format proposed. There seems to be a mixture of economic and statutory or GAAP line-items, including items which would not feature in an economic P&amp;L statement.</p>	Noted.

			While an economic balance sheet is key to solvency II, we do not see the necessity of a profit and loss account based on economic principles for supervisory purposes. Whereas an economic balance sheet can be derived rather easily from existing financial statements, setting up an economic profit and loss account would require the implementation of an additional accounting and reporting systems and would cause cost that are way out of proportion to the benefit obtained.	
2.964.	CRO Forum	C2	The CRO Forum considers that it would be difficult to bring economic investment income and profits into the format proposed. There seems to be a mixture of economic and statutory or GAAP line-items, including items which would not feature in an economic P&L statement.	See 2963.
2.965.	Dexia	C2	See our comments on C1	Noted. See 2963.
2.966.	European Insurance CFO Forum	C2	<p>The CFO Forum considers that it would be difficult to bring economic investment income and profits into the format proposed. There seems to be a mixture of economic and statutory or GAAP line-items, including items which would not feature in an economic P&amp;L statement.</p> <p>The basis of the Performance Reporting requirements is unclear and the disclosure of a P&amp;L (proposed templates – C2) mixing statutory and economic principles (discounted reserves, unwinding of discount) is confusing</p> <p>□ Performance reporting should be based on existing reporting frameworks (IFRS or else) – either management's view or published financial statements in order to avoid confusion in terms of financial communication and avoid undue costs.</p> <p>□ While an economic balance sheet is key to Solvency II, we do not see the necessity of a profit and loss account based on economic principles for supervisory purposes. Whereas an economic balance sheet can be derived easily from existing financial statements, setting up an economic profit and loss account would require the implementation of additional accounting and reporting systems and would incur costs that were out of proportion with the benefit obtained.</p>	See 2963.

			<input type="checkbox"/> Movement analyses focusing on certain areas of the economic balance sheet between two annual reporting periods explaining main changes in available financial resources could be part of the private reporting to supervisors	
2.967.	KPMG ELLP	C2	<p>The format of the template broadly follows the profit and loss account format in the EU Insurance Accounts Directive. It should be noted that entities applying IFRS will not be following this profit and loss account format in their statutory accounts and therefore will not be preparing separate technical and non-technical accounts. We would question whether there is any added value to users of requiring such a significant reanalysis of the IFRS profit and loss account for Solvency II purposes.</p> <p>A reconciliation should be required between the Solvency II and the statutory accounts profit / loss.</p> <p>It would be helpful to provide comparative figures for columns A, B and C.</p>	See 2963.
2.968.	Munich RE	C2	<p>The reporting requirement of a P&amp;L as proposed by template C2 is mixing statutory and economic principles (discounted reserves, unwinding of discount).</p> <p>A presentation of performance should be in line with the information presented by requirements 3.98 ff and 3.305 ff. It should be based on administrative or managerial analysis; Additionally we would propose that financial statements also be allowed. This will avoid confusion in terms of financial communication and avoid undue costs.</p> <p>Unlike the economic balance sheet a detailed economic profit and loss account is not a key element of Solvency II and we do not see why it is necessary for supervisory purposes. However, we understand the wish of the supervisor to gain an understanding of the changes in own funds from one reporting period to the next. We therefore suggest to provide a movement analyses focusing on certain areas of the economic balance sheet between two annual reporting periods to the supervisor in the RTS. This way main changes in available financial resources will be explained.</p>	Noted. See 2963.
2.969.	AAS BALTA	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	The precise details, including how

				the proportionality principle will apply to quantitative data, will be addressed at Level 3
2.970.	AB Lietuvos draudimas	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.971.	Association of British Insurers	D1	Looks like individual asset level information required. This would be onerous and time consuming and of little end use.	See comment on 2.969
2.972.	CEA, ECO-SLV-09-453	D1	<p>Too many details are requested and this will seriously increase the administrative burden for undertakings.</p> <p>The required information will be too sensitive if it is too detailed. The detail of the information does appear not in line with the “prudent person principle”.</p> <p>We consider the comprehensive disclosure of assets on an individual investment holding basis to be impractical and inappropriate:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Suitably aggregated data would provide more insight than an excess of detail</li> <li><input type="checkbox"/> Lists of individual investment holdings would not allow for appropriate disclosure of portfolio sensitivities</li> <li><input type="checkbox"/> Such disclosure would require a large volume of sensitive data, leading to the need for very significant data security and administrative measures</li> <li><input type="checkbox"/> Commitment of reporting resources should not exceed what is required under existing reporting rules. Drill-down to individual investment holding level should only be carried out on a sampling basis.</li> <li><input type="checkbox"/> Reporting at the level of detail proposed should be reserved for company-specific crisis situations.</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary.</li> </ul> <p>We also have a number of specific questions relating to D1:</p>	See comment on 2.969



			<p>Similar to B3B we would expect that only investment data is necessary when a certain threshold is exceeded.</p> <p>Would this template apply to all assets, or only those covering technical provisions?</p> <p>Why are there different reporting requirement depending on quoted or unquoted corporate bonds?</p>	
2.973.	CRO Forum	D1	The details requested are extensive and will seriously increase the administrative burden. We question the need for this level of detail, which does not appear to be in line with the “prudent person principle”. Similar to B3B we would expect that investment data is necessary when a certain threshold is exceeded.	See comment on 2.969
2.974.	Danish Insurance Association	D1	The template leaves doubt on what to report under the term “internal rating”.	See comment on 2.969
2.975.	DENMARK: Codan Forsikring A/S (10529638)	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.976.			Confidential comment deleted	
2.977.	FFSA	D1	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See comment on 2.969
2.978.	German Insurance Association – Gesamtverb	D1	<p>Too many details are requested and this will seriously increase the administrative burden for undertakings.</p> <p>The required information will be too sensitive if it is too detailed. The detail of the information does appear not in line with the “prudent person principle”.</p>	See comment on 2.969

	and der D		<p>We consider the comprehensive disclosure of assets on an individual investment holding basis to be impractical and inappropriate:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Suitably aggregated data would provide more insight than an excess of detail</li> <li><input type="checkbox"/> Lists of individual investment holdings would not allow for appropriate disclosure of portfolio sensitivities</li> <li><input type="checkbox"/> Such disclosure would require a large volume of sensitive data, leading to the need for very significant data security and administrative measures</li> <li><input type="checkbox"/> Commitment of reporting resources should not exceed what is required under existing reporting rules. Drill-down to individual investment holding level should only be carried out on a sampling basis.</li> <li><input type="checkbox"/> Reporting at the level of detail proposed should be reserved for company-specific crisis situations.</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary.</li> </ul>	
2.979.	KPMG ELLP	D1	<p>The template appears to require a full listing of the entire investment portfolio at the level of each individual investment. We question the value of such detailed information for the purposes of the SFCR or RTS.</p> <p>The template suggests that in addition to the full analysis of the investment portfolio the regulator and other users will need to request further information from Bloombergs (or similar organisation) in order to perform their own analysis</p> <p>We suggest that rather than users performing their own analysis (which would very onerous) disclosure of the following would provide more relevant and useful information for regulatory purposes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Total investments analysed by credit rating</li> <li><input type="checkbox"/> 'Large' exposures to counterparties ('large' will need to be defined and counterparties belonging to the same group will need to be aggregated</li> </ul>	See comment on 2.969

			<p>for the purposes of this disclosure, disclosure should also be required of any investments in companies in the group of which the reporting entity is a member).</p> <p><input type="checkbox"/> Exposures in excess of internal counterparty limits / details of breaches of internal limits</p> <p><input type="checkbox"/> Details of more 'risky' investments – e.g. asset backed securities, unlisted investments, derivatives, unregulated collective investment schemes, hedge fund investments</p> <p><input type="checkbox"/> Details of asset / liability matching</p> <p>This suggested information would be more focussed on identifying key areas of risk rather than the user attempting to perform such analyses themselves based on a listing of the entire investment portfolio. The supervisor could still request a listing of the entire investment portfolio if there were still remaining areas of concern following a review of the above analyses.</p>	
2.980.	Link4 Towarzystw o Ubezpieczeń SA	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.981.	Lloyd's	D1	<p>Investment Return - provision of a percentage yield is difficult at security level where multiple trades have occurred. Clarification of what is required here would be useful. It's possible that only a simple yield is required ie total income divided into cost, but even this becomes complicated where one buys and sells the same security and historic gains need to be taken into account.</p> <p>Income in the Current Year - clarification of whether this means (is it just income ie coupon receipts, or whether total return is required, inclusive of gains) would be helpful.</p>	See comment on 2.969
2.982.	Munich RE	D1	<p>We consider the comprehensive disclosure of assets on an individual investment holding basis to be impractical and inappropriate:</p> <p><input type="checkbox"/> Suitably aggregated data would provide more insight than an excess of detail</p>	See comment on 2.969

			<input type="checkbox"/> Lists of individual investment holdings would not allow for appropriate disclosure of portfolio sensitivities <input type="checkbox"/> Such disclosure would require a large volume of sensitive data, leading to the need for very significant data security and administrative measures <input type="checkbox"/> Commitment of reporting resources should not exceed what is required under existing reporting rules. Drill-down to individual investment holding level should only be carried out on a sampling basis. <input type="checkbox"/> Reporting at the level of detail proposed should be reserved for company-specific crisis situations. <input type="checkbox"/> A precise definition of the required information will be necessary	
2.983.	NORWAY: Codan Forsikring (Branch Norway) (991 502	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.984.	Pearl Group Limited	D1	It is appreciated that these templates are provisional only and that more detail will be provided at Level 3. However, would the detailed portfolio list be direct investments only or would collective investments be included on a look-through basis? Would de minimis limits be set otherwise likely run to hundreds of pages? Also, would the investment 'D' templates be privately submitted to supervisor only as the information could be viewed as commercially sensitive?	See comment on 2.969
2.985.	Pricewaterho useCoopers LLP	D1	Paragraph 3.517 indicates that the quantitative reporting template detailing "summary investments by class" may be subject to audit. It is unclear which, if any, of the investment templates (D1-D5) is anticipated will be used to fulfil this requirement as there is no single investment summary template. The data in D1-D5 is at a level of granularity that may be disproportionate to require to be audited (or potentially even to be required to be reported as a matter of course).	See comment on 2.969
2.986.	RSA	D1	Does the principle of proportionality apply? This could amount to a	See comment on 2.969

	Insurance Group PLC		significant amount of data.	
2.987.	RSA Insurance Ireland Ltd	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.988.	RSA - Sun Insurance Office Ltd.	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.989.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	D1	Does the principle of proportionality apply? This could amount to a significant amount of data.	See comment on 2.969
2.990.	CEA, ECO-SLV-09-453	D2	It is unclear what this template is. The required information will be too sensitive if it is too detailed.	See comment on 2.969
2.991.	FFSA	D2	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See comment on 2.969
2.992.	KPMG ELLP	D2	This template requires that a group code is assigned to investments in entities which are members of the same group. This code is then required to be disclosed with respect to each individual investment listed on template D1. As noted above, we consider that more useful information would be provided by requiring entities to provide specific disclosures with respect to their investment portfolio eg 'large' exposures to counterparties rather than the user attempting to derive such analyses themselves from a full listing of the investment portfolio.	See comment on 2.969
2.993.	PricewaterhouseCoopers LLP	D2	See comment on D1.	See comment on 2.969
2.994.	Association of British Insurers	D3	Looks like individual asset level information required. This would be onerous and time consuming and of little end use.	See comment on 2.969

2.995.	CEA, ECO-SLV- 09-453	D3	<p>See comment to D1. The required information will be too sensitive if it is too detailed. We also have some general remarks on D3:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A reporting on single asset level for real estate is far too detailed and should be replaced with a reporting on an aggregated basis for countries or regions or types of property.</li> <li><input type="checkbox"/> It is not clear, which risks should be covered with this template</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary</li> </ul>	See comment on 2.969
2.996.	CRO Forum	D3	The details requested are extensive and will seriously increase the administrative burden. We question the need for this level of detail which does not appear to be in line with the “prudent person principle”. Similar to B3B we would expect that investment data is necessary when a certain threshold is exceeded.	See comment on 2.969
2.997.	FFSA	D3	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See comment on 2.969
2.998.	KPMG ELLP	D3	This template requires disclosure of details of each individual investment property held by the entity. We question the value of such detailed information for the purposes of the SFCR or RTS.	See comment on 2.969
2.999.	Munich RE	D3	<p>Comment about D1 applies here also.</p> <p>General remarks</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Reporting on single asset level for real estate is far too detailed and should be replaced with reporting on an aggregated basis for countries or regions or types of property.</li> <li><input type="checkbox"/> It is not clear which risks should be covered by this template</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary</li> </ul>	See comment on 2.969
3.00.	Pearl Group Limited	D3	Would the investment ‘D’ templates be privately submitted to supervisor only as the information could be viewed as commercially sensitive?	See comment on 2.969
3.01.	PricewaterhouseCoopers LLP	D3	See comment on D1.	See comment on 2.969

3.02.	Association of British Insurers	D4	This information may be commercially sensitive.	See comment on 2.969
3.03.	CEA, ECO-SLV-09-453	D4	<p>See comment to D1.</p> <p>The required information will be too sensitive if it is too detailed. We also have some general remarks on D4:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> What is the aim of this list? For example you ask for the counterparty (probably to calculate counterparty risks) but nowhere in the list you ask if there are collaterals and how much they reduce this risk.</li> <li><input type="checkbox"/> A derivatives reporting should be on a more aggregate level that is more focused on risk factors than on minor details of swap contracts.</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary</li> </ul>	See comment on 2.969
3.04.	CRO Forum	D4	The details requested are extensive and will seriously increase the administrative burden. We question the need for this level of detail which does not appear to be in line with the “prudent person principle”. Similar to B3B we would expect that investment data is necessary when a certain threshold is exceeded.	See comment on 2.969
3.05.	Danish Insurance Association	D4	The template leaves doubt on what to report under the term “risk covered”. Does it refer to type of risk or is it an amount?	See comment on 2.969
3.06.	FFSA	D4	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See comment on 2.969
3.07.	KPMG ELLP	D4	<p>This template requires disclosure of details of each individual derivative held by the entity. We question the value of such detailed information for the purposes of the SFCR or RTS.</p> <p>We consider that more meaningful information would be obtained by requiring disclosure by type of derivative eg futures, contracts for differences, options.</p> <p>Totals should be required of derivative assets and derivative liabilities in order that the analysis can be agreed back to the balance sheet template C1.</p>	See comment on 2.969

3.08.	Lloyd's	D4	<p>Derivatives data - Generic clarification is required as to whether this includes the wider scope of quasi-derivatives and bonds with embedded options or whether it is targeted at a more prescriptive list of types.</p> <p>Notional Amount / Net Exposure (Buyer / Seller) - clarification of what is required in each field.</p> <p>Contract Dimension - clarification of the exact requirement is needed. Does it refer to the time element of a derivatives contract or the period in which margin calls can be made?</p>	See comment on 2.969
3.09.	Munich RE	D4	<p>Comment about D1 applies here also.</p> <p>Derivatives data (a)</p> <p>General remarks</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> What is the aim of this list? For example, you ask for the counterparty (probably to calculate counterparty risks), but nowhere in the list do you ask whether there is collateral/security and how much it reduces this risk.</li> <li><input type="checkbox"/> Derivatives reporting should be on a more aggregate level that is more focused on risk factors than on minor details of swap contracts.</li> <li><input type="checkbox"/> A precise definition of the required information will be necessary</li> </ul>	See comment on 2.969
3.10.	Pearl Group Limited	D4	Would the investment 'D' templates be privately submitted to supervisor only as the information could be viewed as commercially sensitive?	See comment on 2.969
3.11.	PricewaterhouseCoopers LLP	D4	See comment on D1.	See comment on 2.969
3.12.	CEA, ECO-SLV-09-453	D5	<p>Unclear what variable interest rate is?</p> <p>Clean or dirty market values?</p>	Noted - See comment on 2.969



			A precise definition of the required information will be necessary. The required information will be too sensitive if it is too detailed.	
3.13.	Danish Insurance Association	D5	The demand for specification of this value requires specific information collected from each investment fund. This can cause problems in case of investments in many different funds – and particular in relation to fun-of-funds. Reporting requirements shouldn't limit the choice of investment.	Noted
3.14.			Confidential comment deleted	
3.15.	FFSA	D5	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See comment on 2.969
3.16.	KPMG ELLP	D5	It appears inconsistent to require details of the underlying investments of collective investment schemes (CIS) to be analysed between those relating to unlinked, property linked and index linked investments when analysis into these categories is not required on any of the other templates relating to investments.  We assume that the purpose of this form is to show the actual economic exposure of CIS. Such an analysis is however only useful when viewed with reference of other investment exposures in the balance sheet including consideration of the underlying economic exposure with respect to derivative contracts.	See comment on 2.969
3.17.	Lloyd's	D5	Values of Collective Investment Schemes on the Balance Sheet – the insurer would often be reliant on the fund manager to supply the necessary data at the level envisaged.	Noted
3.18.	Munich RE	D5	A precise definition of the required information will be necessary.	See comment on 2.969
3.19.	PricewaterhouseCoopers LLP	D5	See comment on D1.	See comment on 2.969
3.20.	Association of British Insurers	E1	Trying to split the risk margin between new and existing business will be difficult and it is not clear that it will be of benefit to users.	Noted.

3.21.	CEA, ECO-SLV- 09-453	E1	<p>The required information will be too sensitive if it is too detailed.</p> <p>The separation of new business requires huge effort for life reinsurance business.</p> <p>Segmentation should be allowed to be based on internal segmentation.</p>	Noted.
3.22.	FFSA	E1	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See 3021.
3.23.	KPMG ELLP	E1	<p>The figures for life technical provisions should be analysed such that it is possible to agree the total figures back to balance sheet template C1. In order to facilitate this the gross and reinsurance ceded elements of the risk margin will need to be shown and the total for 'best estimate plus risk margin' will need to be analysed between 'gross', 'reinsurance ceded' and 'net' (also on C1 reinsurance recoveries with respect to life technical provisions will need to be shown separately).</p> <p>It would be useful to provide a similar analysis of comparative figures.</p>	Noted.
3.24.	Munich RE	E1	<p>The separation of new business requires huge effort for life reinsurance business.</p> <p>Segmentation based on the internal management view should be permitted.</p>	Noted.
3.25.	PricewaterhouseCoopers LLP	E1	<p>The separate identification of technical provisions for new business is a departure from existing practice in certain territories (e.g. the UK).</p> <p>Clarification of the contribution this information makes to supervision could be provided.</p>	Noted.
3.26.	AAS BALTA	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.</p>	Noted.
3.27.	AB Lietuvos draudimas	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and</p>	See 3026.

			construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.	
3.28.	CEA, ECO-SLV- 09-453	E2	<p>See comment to E1.</p> <p>The lines 7-12 can only be related to a further split of the Best Estimate, not Best Estimate plus Risk Margin. This should be clarified by a new headline.</p> <p>If Technical provisions are calculated as a whole, the requested information cannot be provided.</p> <p>As it might be very complex for the companies to identify each contractual clause that would originate the need of future premiums and if the use simplified methods for estimation purposes, the information provided in lines 10 and 12 might not give additional information on the portfolio.</p>	Noted.
3.29.	DENMARK: Codan Forsikring A/S (10529638)	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.</p>	See 3026.
3.30.	FFSA	E2	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See 3021.
3.31.	KPMG ELLP	E2	<p>The figures for non-life technical provisions should be analysed such that it is possible to agree the total figures back to balance sheet template C1. In order to facilitate this the gross and reinsurance ceded elements of the risk margin will need to be shown and the total for 'best estimate plus risk margin' will need to be analysed between 'gross', 'reinsurance ceded' and 'net' (also on C1 reinsurance recoveries with respect to non-life technical provisions will need to be shown separately).</p> <p>It appears inconsistent to require premium provisions to be disclosed on a discounted basis but not claims provisions.</p> <p>It would be useful to provide a similar analysis of comparative figures.</p>	Noted.
3.32.	Link4 Towarzystw o	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and</p>	See 3026.

	Ubezpieczeń SA		construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.	
3.33.	Munich RE	E2	<p>Lines 7-12 can only be related to a further split of the best estimate, not best estimate plus risk margin. This should be clarified by a new heading.</p> <p>If technical provisions are calculated as a whole, the requested information cannot be provided.</p> <p>As it might be very complex for companies to identify each contractual clause that would trigger a need for future premiums and if they use simplified methods for estimation purposes, the information provided in lines 10 and 12 might not provide any additional information on the portfolio.</p>	See 3028.
3.34.	NORWAY: Codan Forsikring (Branch Norway) (991 502	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.</p>	See 3026.
3.35.	RSA Insurance Group PLC	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.</p>	See 3026.
3.36.	RSA Insurance Ireland Ltd	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.</p>	See 3026.
3.37.	RSA - Sun Insurance Office Ltd.	E2	<p>More clarity required on all headings: 1 - 12.</p> <p>For current regulatory reporting in the UK, the categorisation is aligned to the</p>	See 3026.

			basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.	
3.38.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	E2	More clarity required on all headings: 1 - 12.  For current regulatory reporting in the UK, the categorisation is aligned to the basis upon which the products are sold e.g. mixed commercial package and construction all risks. To report under the proposed categories deviates from this, and could require subjective allocation to risk groups.	See 3026.
3.39.	Association of British Insurers	E3	The movement due to changes in Risk Margin will be difficult to analyse and will not yield any particularly useful information.	Noted
3.40.	CEA, ECO-SLV- 09-453	E3	See comment to E1.  There is no segregated own life fund for life reinsurance business in some companies. If insurance liabilities and the change thereof is meant, the information can be derived with appropriate efforts.	See 3021.
3.41.	FFSA	E3	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See 3021.
3.42.	KPMG ELLP	E3	It appears inconsistent to require an analysis of in the movement in life own funds to be provided and no similar analysis of the movement in non-life own funds.  It should be made clear exactly which figure shown in the balance sheet template C1 this is actually an analysis of the movement of (surplus funds?). This is not currently clear as own funds in the balance sheet template C1 are not analysed between life and non-life and C1 does not currently show prior year comparative figures.	Noted.
3.43.	Munich RE	E3	There is no segregated own life fund for life reinsurance business. If insurance liabilities and the change in them is meant, the information can be extracted with a degree of effort.	Noted.
3.44.	Pricewaterho useCoopers LLP	E3	This template reconciling the change in own funds should not be required in the first year of application of the Directive as opening own funds will not have been calculated in accordance with the Directive's requirements	Noted.

3.45.	AAS BALTA	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.46.	AB Lietuvos draudimas	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.47.	CEA, ECO-SLV-09-453	E4	Information on expense inflation and service charge inflation is too detailed.  The economic assumptions might be different depending on the area where the risk is located. Especially for worldwide acting (re)insurers or (re)insurance groups it seems too burdensome to report all economic assumptions.  See comment to E1.	Noted.
3.48.	DENMARK: Codan Forsikring A/S (10529638)	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.49.	FFSA	E4	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See 3047.
3.50.	KPMG ELLP	E4	It would be useful to provide comparative figures.	See 3047.
3.51.	Link4 Towarzystw o Ubezpieczeń SA	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.52.	Munich RE	E4	The economic assumptions might be different depending on the area where the risk is located. Especially for (re)insurers or (re)insurance groups operating worldwide, it seems too burdensome to report all economic assumptions.	See 3047.
3.53.	NORWAY:	E4	In many case there will be a range of value for the data included here.	See 3047.

	Codan Forsikring (Branch Norway) (991 502)		Provide definitions for 3 to 5	
3.54.	RSA Insurance Group PLC	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.55.	RSA Insurance Ireland Ltd	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.56.	RSA - Sun Insurance Office Ltd.	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.57.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	E4	In many case there will be a range of value for the data included here. Provide definitions for 3 to 5	See 3047.
3.58.	CEA, ECO-SLV-09-453	E5	Information on smoker/non smoker is questionable.  Valuation assumptions for mortality differ by country, by product, by treaty, by duration since inception etc. This means there is no single mortality assumption for e.g. a life aged 25. Although data would be available, providing this data in sensible form would mean large tables of data are involved. The same is true for lapse assumptions.  See comment to E1.	See 3047.
3.59.	FFSA	E5	FFSA would like to mention the required information is too sensitive for public disclosure if it's too detailed.	See 3047.

3.60.	KPMG ELLP	E5	It would be useful to provide comparative figures.	See 3047.
3.61.	Munich RE	E5	Valuation assumptions for mortality differ by country, by product, by treaty, by duration since inception etc. This means that there is no single mortality assumption for e.g. a life aged 25. Although data would be available, providing this data in sensible form would involve large tables of data. The same is true for lapse assumptions.	See 3047.
3.62.	PricewaterhouseCoopers LLP	E5	An undertaking may have multiple bases for each assumption, and this template may therefore have to be completed many times. It may be appropriate to define major classes for which this template must be completed.	See 3047.
3.63.	CEA, ECO-SLV-09-453	F1	Expenses (14-20) – far too detailed information for supervisory purposes. Data missing in industry.  The data for the breakdown of claims (4-13) and expenses is not available for life reinsurance business.  We would like Ceiops to confirm that the information is related to the year-end figures and as a consequence is provided only on an annual basis.	Noted.
3.64.	FFSA	F1	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	See 3063.
3.65.	KPMG ELLP	F1	It would be useful to provide comparative figures.	See 3063.
3.66.	Munich RE	F1	The data for the breakdown of claims (4-13) and expenses is not available for life reinsurance business.	See 3063.
3.67.	CEA, ECO-SLV-09-453	F2	We would like Ceiops to confirm that the information is related to the year-end figures and as a consequence is provided only on an annual basis.  Number of contracts is not available in all countries for life reinsurance business.	See 3063.



3.68.	FFSA	F2	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	See 3063.
3.69.	Munich RE	F2	Number of contracts is not available in all countries for life reinsurance business.	See 3063.
3.70.	AAS BALTA	F3	Define single premium.	See 3063.
3.71.	AB Lietuvos draudimas	F3	Define single premium.	See 3063.
3.72.	CEA, ECO-SLV-09-453	F3	See comment to F2.  Line of Businesses should be oriented at internal management reporting.  To item 11 (Net operating expenses: Administrative expenses): Reporting of data is normally not possible in the required granularity, as administration expenses are not allocated on the requested level of nature of treaty.  Items 2 and 4: Definition of "Single premium" is not apparent.	See 3063.
3.73.	DENMARK: Codan Forsikring A/S (10529638)	F3	Define single premium.	See 3063.
3.74.	FFSA	F3	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	See 3063.
3.75.	KPMG ELLP	F3	It should be made clearer exactly what is being requested in lines 15-21 (presumably lines 15-20 is the movement in best estimate outstanding claims provisions).	See 3063.
3.76.	Link4 Towarzystw o	F3	Define single premium.	See 3063.

	Ubezpieczeń SA			
3.77.	Munich RE	F3	Lines of business should be based on internal management reporting.  On item 11 (Net operating expenses: Administrative expenses): reporting of data is not normally possible in the required granularity, as administration expenses are not allocated at the requested level of nature of treaty.  Items 2 and 4: definition of "Single premium" is not apparent	See 3063.
3.78.	NORWAY: Codan Forsikring (Branch Norway) (991 502	F3	Define single premium.	See 3063.
3.79.	RSA Insurance Group PLC	F3	Define single premium.	See 3063.
3.80.	RSA Insurance Ireland Ltd	F3	Define single premium.	See 3063.
3.81.	RSA - Sun Insurance Office Ltd.	F3	Define single premium.	See 3063.
3.82.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	F3	Define single premium.	See 3063.
3.83.	CEA, ECO-SLV- 09-453	F4	See comment to F2.  The kind of information requested will typically not be available at group level. Also it's not apparent to us what benefit this information at group level would be to the supervisor. We suggest to limit the information request to entity	Noted.

			level only.	
3.84.	FFSA	F4	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.85.	KPMG ELLP	F4	The information is required by 'subfund'. 'Subfund should be defined in the instructions.	Noted.
3.86.	Munich RE	F4	The kind of information requested will typically not be available at group level. Also, it is not apparent to us what benefit this information at group level would be to the supervisor. We suggest that the information requested be limited to entity level only.	See 3083.
3.87.	AAS BALTA	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	Noted.
3.88.	AB Lietuvos draudimas	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	See 3087.
3.89.	Bupa	F5	What is meant by "earned premium"? Under the proposed valuation standard (both CEIOPS' and the IASB's), it is not clear that earned premium will mean what it does now since premium will not be earned on a straight-lined basis but rather by risk expiration (due to the recognition of profit at renewal and then movements in the risk margins and pre-claim liability). Should this properly be related to written premium, or has something not been thought through here? Is CEIOPS anticipating straight-line amortised "earned premiums" in this form?	See 2923.
3.90.	CEA, ECO-SLV-09-453	F5	Relating to triangles of premiums over the previous 10 years split between gross and reinsurance, we find it difficult to collect information (gross and ceded) over previous 10 years especially for companies which do not apply IFRS.	Noted. See 2248. On internal management reporting, see 2848.

			<p>“year” to be defined: Occurrence Year or Underwriting Year or RI-Treaty-Period-Year?</p> <p>Line of Businesses should be oriented at internal management reporting.</p> <p>Principles of determination of main currencies have to be defined, otherwise reporting would be too extensive.</p> <p>Year to be defined: (Occurrence Year, Underwriting Year or RI-Treaty-Period-Year).</p> <p>Data is not available on a group level.</p> <p>We prefer reporting on accident year basis since many companies do not have this information on underwriting year basis.</p> <p>See comment to F2.</p>	
3.91.	DENMARK: Codan Forsikring A/S (10529638)	F5	<p>Confirmation required that the years are reported on an underwriting basis.</p> <p>On what basis will currency be defined (e.g. premiums versus risk exposure)</p> <p>Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.</p>	See 3087.
3.92.	FFSA	F5	<p>Relating to triangles of premiums over the previous 10 years split between gross and reinsurance, FFSA finds difficult to collect information (gross and ceded) over previous 10 years especially for companies which do not apply IFRS.</p>	See 3090.
3.93.	Link4 Towarzystw o Ubezpieczeń SA	F5	<p>Confirmation required that the years are reported on an underwriting basis.</p> <p>On what basis will currency be defined (e.g. premiums versus risk exposure)</p> <p>Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.</p>	See 3087.
3.94.	Munich RE	F5	<p>“year” to be defined: occurrence year or underwriting year or RI-treaty-period-year?</p> <p>Lines of business should be based on internal management reporting.</p>	See 3090.

			Principles for determining main currencies have to be defined, as otherwise reporting would be too extensive. Data would not normally be available at a group level.	
3.95.	NORWAY: Codan Forsikring (Branch Norway) (991 502	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	See 3087.
3.96.	PricewaterhouseCoopers LLP	F5	Completion of historic data may present problems in early years when undertakings have not historically compiled data on this basis. Transitional provisions should be developed to address this issue. Two potential approaches are to exempt undertakings from providing historic data prior to adoption of the templates, or to have historic data prepared on a best-efforts basis and not subject to audit. This comment also applies to F6, H1, H2, H3 and H5.	See 3090.
3.97.	RSA Insurance Group PLC	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	See 3087.
3.98.	RSA Insurance Ireland Ltd	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	See 3087.
3.99.	RSA - Sun Insurance Office Ltd.	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure) Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	See 3087.
3.100.	SWEDEN: Trygg-Hansa	F5	Confirmation required that the years are reported on an underwriting basis. On what basis will currency be defined (e.g. premiums versus risk exposure)	See 3087.

	Försäkrings AB (516401-7799)		Will converted currency option (YBP in UK FSA option) be available and following from this, will historic data be fixed or will retranslating be required.	
3.101.	CEA, ECO-SLV-09-453	F6	<p>See comment to F2.</p> <p>“year” to be defined: Occurrence Year or Underwriting Year or RI-Treaty-Period-Year?</p> <p>Line of Businesses should be oriented at internal management reporting.</p> <p>Principles of determination of main currencies have to be defined, otherwise reporting would be too extensive.</p> <p>Year to be defined: (Occurrence Year, Underwriting Year or RI-Treaty-Period-Year).</p> <p>Data is not available on a group level.</p>	See 3090.
3.102.	FFSA	F6	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.103.	KPMG ELLP	F6	Template F6 appears to provide further analysis of life expenses information on F1. There does not however appear to be a clear link between the two templates.	Noted.
3.104.	Munich RE	F6	<p>It is not apparent to us why the requested level of detail (cost by underwriting or accident year) is necessary for supervisory purposes. We doubt that many undertakings could produce the requested information from their systems.</p> <p>Lines of business should be based on internal management reporting.</p> <p>Principles for determining main currencies have to be defined, as otherwise reporting would be too extensive. In general, level of detail appears to be too high.</p>	Noted.
3.105.	Association of British Insurers	G1	<p>Column E is labelled “Number of Insured Person” implying that this form is required at policy level. This would be unmanageable.</p> <p>Column I is for Surrender Value but this won’t always exist or be easily</p>	Noted.

			<p>calculated.</p> <p>Column H is amount of benefit but this is meaningless without the value of the benefit which is not included on the form.</p> <p>Trying to split technical provisions between discretionary benefits and cost of guarantees is exceptionally difficult where these are driven by fund level decisions.</p> <p>Splitting technical provisions to show the discounted value of units and other unit-linked liabilities is not clear or correct in a Solvency II economic world.</p>	
3.106.	CEA, ECO-SLV- 09-453	G1	<p>See comment to F2.</p> <p>We would like to know what is the European code?</p> <p>E, F, G, I not available in life reinsurance. The definition of “cost of options and guarantees” is unclear.</p>	Noted.
3.107.	FFSA	G1	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.108.	KPMG ELLP	G1	Total figures need to be required in order to agree back to figures for technical provisions in balance sheet template C1.	Noted.
3.109.	Munich RE	G1	E, F, G, I not available in life reinsurance. The definition of “cost of options and guarantees” is unclear.	Noted.
3.110.	Pearl Group Limited	G1	Does “E Number of insured person” include 2nd lives? If so, what value does this give over number of policies, particularly on 1st death type policies? What weight would be applied to “F Average Age”? Again, does average age include 2nd lives, if so, what weight would 2nd lives be given? Is “G Duration” duration in-force or duration outstanding? What weight would be applied?	Noted.
3.111.	PricewaterhouseCoopers LLP	G1	This template includes at Column B “Product ID” which is “to be developed”. It is important that preparers are properly consulted on the proposed Product IDs to be used.	Noted.
3.112.	Association	G2	Showing the technical provisions for new business will be difficult due to the	Noted.

	of British Insurers		risk margin calculation.	
3.113.	CEA, ECO-SLV-09-453	G2	See comment to F2.  Number of insured persons not available in life reinsurance.	Noted.
3.114.	FFSA	G2	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.115.	Munich RE	G2	Number of insured persons not available in life reinsurance.	Noted.
3.116.	Pearl Group Limited	G2	Same comment for Number of Insured Person as per G2	Noted.
3.117.	PricewaterhouseCoopers LLP	G2	See comments on G1 regarding Product IDs and E1 regarding the identification of technical provisions for new business.	Noted.
3.118.	CEA, ECO-SLV-09-453	G3	See comment to F2.  Line of Businesses should be oriented at internal management reporting.  It has to be assumed, that „future cash flow” does not mean the expected cash flow in fact, but the mere prognosis of the premium income. If “cash flow” is taken literally, this would require the development of complex algorithms in order to deviate the point of time of the factual cash flow. From our point of view the respective database is not available at present.	See 2848. Noted for the rest.
3.119.	FFSA	G3	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.120.	Munich RE	G3	Lines of business should be oriented at internal management reporting.  It has to be assumed that “future cash flow” does not mean the actual expected cash flow , but merely the prognosis of the premium income. If “cash flow” is taken literally, this would require the development of complex algorithms in order to deviate the point of time of the factual cash flow. From	See 3118.



			our point of view the relevant database is not available at present.	
3.121.	AAS BALTA	G4	Clarification regarding whether this relates to existing business or anticipated future business.	This relates to calculation of the Best Estimate.
3.122.	AB Lietuvos draudimas	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.123.	CEA, ECO-SLV-09-453	G4	See comment to F2.  With regard to the term “cash flow”, see above comment to G3.	See 3118.
3.124.	DENMARK: Codan Forsikring A/S (10529638)	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.125.	FFSA	G4	FFSA suggest confirming the information are related to the year-end amount and as a consequence provided only on annual basis.	Noted.
3.126.	KPMG ELLP	G4	Instructions will need to be provided with respect to the projection of future cash flows.	Noted.
3.127.	Link4 Towarzystw o Ubezpieczeń SA	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.128.	Munich RE	G4	With regard to the term “cash flow”, see above comment to G3	See 3118.
3.129.	NORWAY: Codan Forsikring (Branch Norway)	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.

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3.130.	Pearl Group Limited	G4	In Cash out-flows, where do charges, expenses, tax etc fit-in? These types of expenditure cannot be split by guaranteed benefits/discretionary benefits.	Noted
3.131.	PricewaterhouseCoopers LLP	G4	We anticipate that this template may be difficult to prepare for some undertakings, although it may be a useful contribution to quantitative data available to supervisors.	Noted.
3.132.	RSA Insurance Group PLC	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.133.	RSA Insurance Ireland Ltd	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.134.	RSA - Sun Insurance Office Ltd.	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.135.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	G4	Clarification regarding whether this relates to existing business or anticipated future business.	See 3121.
3.136.	Belgian Coordination Group Solvency II (Assuralia/	General comment	<p>The structure of the CP seems confusing which does not help reading the document.</p> <p>The requirements are overly burdensome and detailed.</p> <p>The CP lists an exhaustive collection of all kind of possible information which, we think, will not really be necessary to meet the supervisor's requirements. A possible approach to revise the reporting requirements could be:</p> <ul style="list-style-type: none"> <li>- firstly, establishing a list of information really needed at both SCFR and RTS separate levels, for instance under the form of a check list or a closed questionnaire</li> <li>- secondly, proposing and letting a information structure tree be validated</li> </ul>	Noted. These comments have been picked up elsewhere.

		<p>again at separate levels</p> <p>- thirdly, elaborating the information requirements when the two precedent steps are finalized.</p> <p>The reporting required is not always appropriate for the target audience.</p> <p>We think that a lot of public information will not be of any interest for the stakeholders because it will be too complex for non specialists, while too general for specialised people.</p> <p>Duplication of reporting between the SFCR and the RTS should be minimised.</p> <p>Duplication of reporting between other reports and the SFCR / the RTS should be minimised.</p> <p>It is important that CEIOPS gives its view about the relevance/feasibility of a common reporting format, including its view about a common industry-based chart of accounts keeping in mind that solvency and accounting figures need to be reconciled.</p> <p>We cannot assess at which level of granularity the reconciliation between solvency and accounting figures will be requested. If the reconciliation has to be made at segmented level, we again favour to stick to the IFRS definition of “operating segment” that needs to reflect the management’s view.</p> <p>Moreover, also reporting is an issue for the transition from one solvency regime to another.</p> <p>Duplication between solo and group levels should be minimised.</p> <p>The interaction of group and solo reporting has to be defined more precisely. Under some circumstances for example it could be possible that insurance groups would have to produce:</p>	
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			<p>* solo accounts under local GAAPs to reconcile to solo Solvency II figures;</p> <p>* sub conso accounts under IFRS not to reconcile (depending on the interpretation of ambiguous wording of par. 3.267 : “the following identified requirements at group level are also applied to sub-group level where applicable” .);</p> <p>* group accounts under IFRS to reconcile with group Solvency II figures.</p> <p>Relevance of consistency with IFRS Disclosures:</p> <p>Some quantitative disclosures in The CP are obviously inspired by IFRS 7 without questioning the relevance of the disclosure for the purpose of Solvency II. IFRS 7 disclosures have an accounting, not a solvency purpose, and in some cases their relevance is questionable.</p> <p>The CP seems to be work-in-progress:</p> <p>We observe that the definition of the disclosures is not final – there are many blank sections and we note an unclear link between the text and the Appendix D – and it is therefore too early to ask stakeholders for comments. Constructive debate between supervisors and the insurance industry (at an international as well as at a local level) can help to define a more elaborated proposal.</p> <p>We favour a maximum of harmonisation of quantitative disclosure so that the level playing field between different countries can be assured and should avoid that groups have to report in different ways.</p> <p>Auditability of public information is not always requested.</p> <p>We favour the principle that all public information should be audited. As a consequence, the volume of public information has to be reasonable.</p>	
3.137.	AAS BALTA	H1	Will clear guidance be given on whether adjustments to notified claims should	The precise details of the

			be reflected in IBNR or outstandings for consistency between different firms?	templates will be addressed at Level 3
3.138.	AB Lietuvos draudimas	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.137
3.139.	CEA, ECO-SLV-09-453	H1	<p>A currency adjustment column is needed.</p> <p>Column C must be a change, i.e. p&amp;l item.</p> <p>Overly burdensome reporting suggested in Gross IBNR. It is not needed for supervisory purpose.</p> <p>Especially for reinsurers there is no distinction made between IBNeR/ RBNS and IBNyR claims. Therefore the requested information cannot be provided, neither in amount nor in claims numbers.</p>	Noted. See comments on 3.137
3.140.	DENMARK: Codan Forsikring A/S (10529638)	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.137
3.141.	KPMG ELLP	H1	It will need to be possible to tie back the profit / loss figures report to the profit and loss account shown in C2.	Noted
3.142.	Link4 Towarzystw o Ubezpieczeń SA	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.137
3.143.	Munich RE	H1	Especially for reinsurers, no distinction is made between IBNeR/ RBNS and IBNyR claims. Therefore, the requested information cannot be provided, either in amount or in numbers of claims.	See comments on 3.139

3.144.	NORWAY: Codan Forsikring (Branch Norway) (991 502	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.139
3.145.	RSA Insurance Group PLC	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.139
3.146.	RSA Insurance Ireland Ltd	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.139
3.147.	RSA - Sun Insurance Office Ltd.	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.139
3.148.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	H1	Will clear guidance be given on whether adjustments to notified claims should be reflected in IBNR or outstandings for consistency between different firms?	See comments on 3.139
3.149.	CEA, ECO-SLV- 09-453	H2	<p>This approach is overly ambitious.</p> <p>Fields E, F and G in excel sheet H2 are seen as very burdensome since extracting data on this level of detail will result in a great deal of extra work. Four columns would be sufficient.</p> <p>Currency will cause problems.</p> <p>Especially for reinsurers the requested information is not available on that level of detail (e.g. no information on re-opened claims or claims settled without payment).</p>	Noted. The precise details of the templates will be addressed at Level 3

3.150.	KPMG ELLP	H2	It will need to be possible to tie back the profit / loss figures reported to the profit and loss account shown in C2.	Noted
3.151.	Munich RE	H2	Especially for reinsurers, the requested information is not available at that level of detail (e.g. no information on re-opened claims or claims settled without payment).	Noted
3.152.	CEA, ECO-SLV- 09-453	H3	<p>Can salvage and subrogation in Excel sheet H3 be interpreted as regression?</p> <p>We question in particular the relevance of reporting information on salvage and subrogation triangles.</p> <p>Claims triangles</p> <p>Relating to claims triangles, we find it difficult to collect information (gross and ceded) over previous 5 years especially for companies which do not apply IFRS.</p> <p>The field “currency” has to be defined, as it is too burdensome to report on each currency separately.</p> <p>We suggest using that currency which is being used to present the corresponding financial statements in.</p> <p>Line of Businesses should be oriented at internal management reporting.</p> <p>Year to be defined: (Occurrence Year, Underwriting Year or RI-Treaty-Period-Year).</p>	Noted. The precise details of the templates will be addressed at Level 3
3.153.	FFSA	H3	Relating to claims triangles, FFSA finds difficult to collect information (gross and ceded) over previous 5 years especially for companies which do not apply IFRS.	Noted
3.154.	KPMG ELLP	H3	We note that the proportionality principles to be applied are yet to be defined.	The application of the

				proportionality principle will be addressed at Level 3
3.155.	Munich RE	H3	<p>The field “currency” has to be defined, as it is too burdensome to report on each currency separately.</p> <p>We suggest that the currency in which the relevant financial statements are denominated be used.</p> <p>Lines of business should be based on internal management reporting.</p> <p>Year to be defined: (occurrence year, underwriting year or RI-treaty-period-year).</p>	See comments on 3.152
3.156.	CEA, ECO-SLV- 09-453	H4	<p>Columns F and G are unclear.</p> <p>For Motor and Liability portfolios, best practice (in most countries) is to use run-off triangles approaches. Run-off triangle approaches based on incurred claims, already implicitly have case reserve estimates based on annuities.</p> <p>Using a Life approach (policy by policy) seems to be not feasible especially for Non-Life reinsurance, as a policy might cover several annuities in one contract and detailed information on single annuities is not available.</p>	Noted. The precise details of the templates will be addressed at Level 3
3.157.	Munich RE	H4	<p>For motor and liability portfolios, best practice (in most countries) is to use run-off triangle approaches. Run-off triangle approaches based on incurred claims already implicitly incorporate case reserve estimates based on annuities.</p> <p>Using a life approach (policy by policy) does not appear to be feasible, especially for non-life reinsurance, as a policy might cover several annuities in one contract and detailed information on single annuities is not available.</p>	Noted
3.158.	PricewaterhouseCoopers LLP	H4	<p>The footnote states “In column A: Relevant types set by the home state ...”. This appears contrary to the principle of harmonisation set out at paragraph 3.434</p>	Noted. The precise details of the templates will be addressed at Level 3
3.159.	AAS BALTA	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	Noted. The precise details of the templates will be addressed at



				Level 3
3.160.	AB Lietuvos draudimas	H5	The exposure classes do not align to the previous classifications. Number of claims may not be appropriate for all classes	See comments on 3.159
3.161.	CEA, ECO-SLV-09-453	H5	Exposure data: Hard to find appropriate exposure measures, on for ex Liability.  The field “currency” has to be defined, as it is too burdensome to report on each currency separately. Claims numbers are not available for reinsurers (see also comment on H1). Exposure measure for insurers and reinsurers is different, especially for proportional business. Line of Businesses should be oriented at internal management reporting. Principles of determination of main currencies have to be defined, otherwise reporting would be too extensive. We do not consider number of claims to be relevant information.	See comments on 3.152
3.162.	DENMARK: Codan Forsikring A/S (10529638)	H5	The exposure classes do not align to the previous classifications. Number of claims may not be appropriate for all classes	See comments on 3.159
3.163.	KPMG ELLP	H5	It is not clear why claims triangles with respect to claims numbers are shown separately from other claims triangles shown in template H3. An instruction should be provided with respect to the determination of ‘Exposure’.	Noted. The precise details of the templates will be addressed at Level 3
3.164.	Link4 Towarzystwo Ubezpieczeń SA	H5	The exposure classes do not align to the previous classifications. Number of claims may not be appropriate for all classes	See comments on 3.159

3.165.	Munich RE	H5	<p>The “currency” field has to be defined, as it is too burdensome to report on each currency separately.</p> <p>Claims numbers are not available for reinsurers (see also comment on H1)</p> <p>Exposure measure for insurers and reinsurers is different, especially for proportional business.</p> <p>Lines of business should be based on internal management reporting.</p> <p>Principles for determining main currencies have to be defined, as otherwise reporting would be too extensive.</p> <p>Munich Re doubts that the number of claims constitutes information relevant for supervisory purposes.</p>	See comments on 3.152
3.166.	NORWAY: Codan Forsikring (Branch Norway) (991 502	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	See comments on 3.159
3.167.	RSA Insurance Group PLC	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	See comments on 3.159
3.168.	RSA Insurance Ireland Ltd	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	See comments on 3.159
3.169.	RSA - Sun Insurance Office Ltd.	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	See comments on 3.159
3.170.	SWEDEN: Trygg-Hansa Försäkrings AB (516401- 7799)	H5	<p>The exposure classes do not align to the previous classifications.</p> <p>Number of claims may not be appropriate for all classes</p>	See comments on 3.159

3.171.	CEA, ECO-SLV- 09-453	J1	Requested information is only partially available for reinsurers.	Noted. The precise details of the templates will be addressed at Level 3
3.172.	KPMG ELLP	J1	An instruction should be provided with respect to the determination of 'Exposure'.	Noted. The precise details of the templates will be addressed at Level 3
3.173.	Munich RE	J1	Requested information is only partially available to reinsurers.	See comment on 3.171
3.174.	Pearl Group Limited	J1	More instructions required on this template as it is not clear what should be included here.	Noted. The precise details of the templates will be addressed at Level 3
3.175.	CEA, ECO-SLV- 09-453	J2	Requested information is only partially available for reinsurers.	See comment on 3.171
3.176.	KPMG ELLP	J2	It was entirely clear to us what this form is requiring / showing	Noted. The precise details of the templates will be addressed at Level 3
3.177.	Munich RE	J2	Requested information is only partially available to reinsurers.	See comment on 3.171
3.178.	Pearl Group Limited	J2	As per J1.	See comment on 3.174
3.179.	CEA, ECO-SLV- 09-453	J3	<p>It is good that only 10 biggest are required. We think that this is sufficient.</p> <p>Where will fronting/captive be reported? We believe they belong to facultative.</p> <p>Please define the criteria for the classification of the "10 biggest":</p> <p><input type="checkbox"/> Sum insured (total/ share insurer)</p>	Noted. The precise details of the templates will be addressed at Level 3

			<input type="checkbox"/> PML <input type="checkbox"/> Premium <input type="checkbox"/> Other	
3.180.				
3.181.	Munich RE	J3	Please define the criteria for the classification of the “10 biggest”: - Sum insured (total/ share insurer) - PML - premium - other	Noted. The precise details of the templates will be addressed at Level 3
3.182.	AAS BALTA	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	Noted. The precise details of the templates will be addressed at Level 3
3.183.	AB Lietuvos draudimas	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.184.	CEA, ECO-SLV-09-453	J4	Would this be all reinsurers? All data is not available in old contracts. This will cause problems.  Due to the requested information, this report should only be part of the RTS, but not of the SFCR (as is contains information about our clients / cedents). Reporting should be limited to cedents, whose fraction of the total premium volume represents more than a certain percentage (i.e. 2% of the total premium volume).  Only annually reporting should be requested, otherwise effort of data collection would be too extensive.	Noted. The precise details of the templates will be addressed at Level 3

3.185.	DENMARK: Codan Forsikring A/S (10529638)	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.186.	KPMG ELLP	J4	There needs to be link / consistency between details of reinsurers reported on this form and the disclosures made on template B3B. Are both templates actually required?	Noted. The precise details of the templates will be addressed at Level 3
3.187.	Link4 Towarzystw o Ubezpieczeń SA	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.188.	Munich RE	J4	Due to the requested information, this report should only be part of the RTS, but not of the SFCR (as is contains sensitive information about clients/cedents). Also, reporting should be limited to the biggest cedents (premium volume).  Only annual reporting should be required, since otherwise the effort involved in data collection would be too great.	See comments on 3.184
3.189.	NORWAY: Codan Forsikring (Branch Norway) (991 502)	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.190.	RSA Insurance Group PLC	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.191.	RSA Insurance Ireland Ltd	J4	The exposure classes do not align to the previous classifications. Define share re-insurer.	See comments on 3.182

			Presume the principle of proportionality applies.	
3.192.	RSA - Sun Insurance Office Ltd.	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182
3.193.	SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)	J4	The exposure classes do not align to the previous classifications. Define share re-insurer. Presume the principle of proportionality applies.	See comments on 3.182  The application of the proportionality principle to quantitative data will be addressed at Level 3
3.194.	AAS BALTA	J5	Presume the principle of proportionality applies.	The application of the proportionality principle to quantitative data will be addressed at Level 3
3.195.	AB Lietuvos draudimas	J5	Presume the principle of proportionality applies.	See comments on 3.194
3.196.	Bupa	J5	What is meant by “earned premium”? Under the proposed valuation standard (both CEIOPS’ and the IASB’s), it is not clear that earned premium will mean what it does now since premium will not be earned on a straight-lined basis but rather by risk expiration (due to the recognition of profit at renewal and then movements in the risk margins and pre-claim liability). Should this properly be related to written premium, or has something not been thought through here? Is CEIOPS anticipating straight-line amortised “earned premiums” in this form even if the financial statements of insurers under IFRS Phase II might longer refer to “earned premiums”?	Noted. The precise details of the templates will be addressed at Level 3
3.197.	CEA, ECO-SLV-09-453	J5	Treaty reinsurance: 10 largest is sufficient.  Due to the requested information, this report should only be part of the RTS, but not of the SFCR (as is contains information about our clients / cedents).	Noted. The precise details of the templates will be addressed at Level 3
3.198.	DENMARK: Codan	J5	Presume the principle of proportionality applies.	See comments on 3.194

	Forsikring A/S (10529638)			
3.199.	Link4 Towarzystw o Ubezpieczeń SA	J5	Presume the principle of proportionality applies.	See comments on 3.194
3.200.	Munich RE	J5	Due to the requested information, this report should only be part of the RTS, but not of the SFCR (as it contains information on our clients/cedents).	Noted. The precise details of the templates will be addressed at Level 3
3.201.	NORWAY: Codan Forsikring (Branch Norway) (991 502	J5	Presume the principle of proportionality applies.	See comments on 3.194
3.202.	RSA Insurance Group PLC	J5	Presume the principle of proportionality applies.	See comments on 3.194
3.203.	RSA Insurance Ireland Ltd	J5	Presume the principle of proportionality applies.	See comments on 3.194
3.204.	RSA - Sun Insurance Office Ltd.	J5	Presume the principle of proportionality applies.	See comments on 3.194
<b>3.205.</b>	<b>SWEDEN: Trygg-Hansa Försäkrings AB (516401-7799)</b>	<b>J5</b>	<b>Presume the principle of proportionality applies.</b>	See comments on 3.194

