

**Comments Template on
CP8 -Draft proposal for Guidelines on ORSA**

**Deadline
20 January 2012
12:00 CET**

Name of Company:	BW	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to cp008@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to Consultation Paper 008.</p>		
Reference	Comment	
General Comment	<p>Barnett Waddingham LLP welcomes the opportunity to respond to EIOPA regarding its consultation paper on Guidelines on ORSA .</p> <p>We are the largest actuarial independent partnership in the UK, and are wholly owned and managed by our 50 partners. We provide actuarial consultancy services to Life and Non Life insurers both in the UK and internationally as well as consultancy services to pension schemes.</p>	
3.1.		
3.2.	<p>We think that the regulator will have a lot of influence on how it is performed based on what they view of the risks are. We have concerns that this will not be consistent throughout the EU and</p>	

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	more guidance on prortionality would help to alleviate this.	
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3.8.	The standard formula is designed to 'fit' an average firm. Each undertaking would have a different risk profile than an average firm. To explain the difference between an average firm and the company specific risk profile, one needs to understand what's the risk profile of an average firm is, will this be provided?.	
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3.15.	We support this principle but have concerns how prortionality will be interpreted by different regulators. It would be useful to have more guidance in order for it to be implemented consistently throughout the EU.	
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3.28.	We are in agreement that it is important to understand how the risks of the firm deviate from the standard formula. However we are concern that significant deviations will be used by the regulator to push partial or internal models and may not take into account the principle of proportionality.	
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4.11.	We would not expect this to be the case for a standard formula firm.	
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4.25.	More guidance on how this would be done particularly for small firms with less resources	
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4.29.	We question if this is practical for a small subsidiary of a large group. The subsidiary may not have the information available	
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4.40.	The continuous monitoring may be challenging if the business is written via third party distribution channels as there may be delays in receiving the relevant information.	
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4.53.	We think that the principle of proportionality should apply.	
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Q1.	The principles are clear but many firms will still be unclear of how this can be done in practice and how the regulator will interpret it. Case studies or workshops would be helpful. Also how the proportionality principle will be applied is not clear.	
Q2.	No	
Q3.	No	
Q4.	Guidance on the risk profile of the 'standard formula' firm would help with analysis of deviations with own risk profile and also justifying why it is appropriate given the firms risk profile.	
Q5.		
Q6.		
Q7.		
Q8.	How proportionality will be interpreted will help with lots of aspect of the guidelines. For some of the guidelines it is not clear whether or not it applies.	
Q9.		