

**Comments Template on EIOPA-CP-11-002  
Technical Consultation on the Solvency II XBRL Taxonomy**

Company name: *European Captive Insurance and Reinsurance Owners' Association*



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Please follow the instructions for filling in the template:

- ⇒ **Do not** change the numbering in column "Reference".
- ⇒ Please fill in your comment in the relevant row. If you have no comment on a paragraph, keep the row empty.
- ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.
  - If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.
  - If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself.

**Please send the completed template to [consultation.taxonomy-201107@eiopa.europa.eu](mailto:consultation.taxonomy-201107@eiopa.europa.eu), in MSWord Format, (our IT tool does not allow processing of any other formats).**

The paragraph numbers below correspond to the document:  
*EIOPA-CP-11-002\_Introduction\_Taxonomy\_Consultation.doc*

Reference	Comment
General Comment	ECIROA welcomes the opportunity to comment on this Consultation Paper.

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The reporting requirements are very onerous and whilst the information requested can be provided by captives, the costs to produce it in this format will be disproportionately high for captives and smaller insurance undertakings. It is therefore extremely important that the proportionality principle is applied appropriately in this area.

Most captives and smaller insurance undertakings do not have such a high level of detailed information available to them because it is not necessary for the management of their business and risks. Complying with these requirements would necessitate significant investment in their systems and processes to produce information which is not needed in this level of detail.

It is important to recognise the particular nature of captive companies which differ from commercial insurance and reinsurance undertakings in that:-

1. They write a restricted number of lines of insurance business (e.g. property damage & liability) and normally issue a small number of policies (e.g. global programmes with only one policy per insurance class);
2. They insure or reinsure a restricted number of risk units (e.g. sites, premises, vehicles);
3. They have a restricted number of insureds / clients;
4. They often outsource up to 100% of their administration to other professional companies. This outsourcing is done to ensure that a broader and more appropriate level of expertise is brought to bear on the company's activities, if needed;
5. The purpose of the captive is to add flexibility to the tools available to the group risk manager in managing and mitigating the risk of the parent group in a cost efficient manner.

Where the administration for a captive is outsourced, there will still be a significant cost impact as costs incurred by the outsourced provider for upgrading their systems in order to comply with these reporting requirements will inevitably be passed back to the captive.

Where captives are insuring only the risks of their parent or group company (and where there are no third party insureds), a proportionate approach must be applied to public disclosure requirements. The Policyholder (parent or group company) and the Supervisor has full access to all information. Publication of detailed information can be harmful where captives are underwriting a limited number of policies and claims reserves are therefore easily identifiable by claimants (which is not the

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	<p>case for larger Insurers underwriting a wide spread of insurance business).</p> <p><b><i>Please note that where a comment has not been made on a particular paragraph, this does not indicate that we agree with the paragraph.</i></b></p>
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