

Comments Template on EIOPA-CP-14-050 Draft proposal for Level 3 Guidance on exchange of information on a systematic basis within colleges of supervisors		Deadline 02.Mar.2015 23:59 CET
Company name:	CRO Forum - CFO Forum	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ 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. <p>Please send the completed template to Consultation_Set2@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-14-050.</p>		
Reference	Comment	
General Comment	<p>The guidelines on the whole appear sensible. However, we would question the need for the Technical Annexes 1 and 2. If these are intended to identify selected content from the Financial Condition Report and Regular Supervisory Report, then the relevant references for the Articles could be listed.</p> <p>As currently drafted, repeating information extracted from the Articles within the guidance appears to add little value. Also interpretation of the information required in the AFCR and RSR within the</p>	

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	<p>guidance, or adding new data not currently specified in the AFCR and RSR should be avoided. The College should work with the information contained within these and the guidance should not add to these reporting requirements.</p> <p>We suggest two sets of ratios for the information sharing. The first set covers ratios common to all insurance group. The second set covers a longlist of ratios which can be tailored to the insurance group under supervision. Group supervisor should consider which information is relevant in the report based on this second set.</p>	
1.1.		
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1.7.	<p>Guideline 1 in assessing the information to be exchanged, focuses on the materiality of the undertaking to the group, but perhaps should also include an assessment of materiality of the information.</p>	
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1.14.		
1.15.		
Technical Annex 1, point 1	<p>In general the provided guidance in several articles is unnecessary. The articles are listed below:</p> <ul style="list-style-type: none"> • 1.1 and 1.1.1 are covered in Article 293 1(a) of the implementing measures. 	

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	<ul style="list-style-type: none"> • 1.1.2 is covered in Article 293 1 (g) of the implementing measures • 1.2.1 is covered in Article 294 1 (b) of the implementing measures. • 1.3.1 whilst not expressed in exactly the same is covered by the requirements in Article 297 4 of the implementing measures. • 1.3.2 is covered in Article 297 1(h) of the implementing measures. • 1.3.3 is covered in Article 297 2 (a) of the implementing measures. • 1.3.4 is covered in Article 297 2 (h) of the implementing measures. • 1.3.5 is covered in Article 297 5 (a) of the implementing measures. • 1.3.6 is covered in Article 297 5 (b) of the implementing measures. • 1.3.7 is covered in Article 297 5 (c) of the implementing measures. • 1.3.8 is covered in Article 297 5 (d) of the implementing measures. 	
<p>Technical Annex 1, point 2</p>	<p>In general the provided guidance in several articles is unnecessary. The articles are listed below:</p> <ul style="list-style-type: none"> • 2.1 effectively repeats what already appears in Article 304 (2) of the SII implementing measures. • 2.2 is unclear in terms of the nature of 'operations and transactions' with in the group it is seeking to identify, and why, to assist the college in its assessment of business and performance. Article 307 (business and performance) of the SII implementing measures sets out a prescriptive list of underwriting and investment performance factors that should be included within the regular supervisory report. • 2.3 seems to summarise some of the information that Article 309 requires to be included within the regular supervisory report. 	
<p>Technical Annex 1, point 3</p>		
<p>Technical Annex 1, point 4</p>		
<p>Technical Annex 2, point 1</p>	<p>As with Technical Annex 1 above, other than replacing undertaking with group this largely reflects requirements set out in the implementing measures.</p>	

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Technical Annex 2, point 2	2.1 to 2.26, as above with Technical Annex 1 reflect requirements set out in the implementing measures. The guidelines should not merely repeat level 2.	
Technical Annex 2, point 3	2.3 is additional to the requirements set out on the implementing measures. This is therefore a new requirements rather than guidance, and inappropriately extends the scope of the regular supervisory report as set out in the legislation	
Technical Annex 2, point 4	2.4.1 reflects what is in the implementing measures, and therefore guidance would appear unnecessary.	
Technical Annex 3, point 1		
Technical Annex 3, point 2		
Technical Annex 3, point 3		
Technical Annex 3, point 4		
Technical Annex 3, point 5		
Technical Annex 3, point 6		
Technical Annex 3, point 7		
Technical Annex 3, point 8		
Technical Annex 3, point 9		
Technical Annex 3, point 10		
Technical Annex 3,		

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point 11		
Technical Annex 3, point 12	As noted in our response to the EIOPA consultation on guidelines on the operational function of colleges, we do not consider it would be appropriate to develop a ratio for investment returns, as this would not provide meaningful trend analysis that could be used to inform the College discussions with the insurance group. The ratios that the College develop should be capable of being derived from the regulatory returns insurance groups submit. The College should not seek to introduce additional reporting requirements.	
Technical Annex 3, point 13		
Technical Annex 3, point 14		
4.1.		
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4.17.		
4.18.		
4.19.		
4.20.		
4.21.	<p>Option 2 is noted as indicating which parts of SFCR and RSR of insurers should be taken into account by supervisory authorities. If this is the intended outcome for Annex 1, this could be achieved through listing the sections of the Articles that should be included rather than copying parts of the Articles into the guidance.</p> <p>Whilst supervisory authorities within a college may adapt the scope of information exchanged to their needs, this should not lead to additional reporting requirements on the supervised insurers. The College should work with the information contained in the SFCR and RSR and not seek additional information.</p>	
4.22.	<p>We disagree that option 1 would not ensure convergence as regards exchange of information on a systematic basis within colleges. The implementing measures for Solvency II provide clear guidance for the content of the Solvency and Financial Condition Report and the Regular Supervisory Report and the proposed guidance generally replicates some of this content, and therefore the guidance would appear unnecessary.</p>	
4.23.	<p>Option 2 is noted as indicating which parts of SFCR and RSR of insurers should be taken into account by supervisory authorities. If this is the intended outcome for Annex 1, this could be achieved through listing the sections of the Articles that should be included rather than copying parts of the Articles into the guidance, or interpreting what the Articles require, as in Annex 1, 2.2 which makes the information requirements less clear.</p>	
4.24.		
4.25.		
4.26.		
4.27.		