

**Comments Template on EIOPA-CP EIOPA-CP-14-049
Draft proposal for Level 3 Guidance on the implementation of the long term guarantees measures**

**Deadline
02.Mar.2015
23:59 CET**

Company name:	Deloitte Touche Tohmatsu	
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"> ⇒ Do not change the numbering 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-14-049.</p>		
Reference	Comment	
General Comment		
1.1.		
1.2.		
1.3.		
1.4.		

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1.5.		
1.6.	Supposing two insurance undertakings with the same assets and liabilities cashflows; Could we then understand that the total amount of interest rate risk SCR sub-module for a insurance undertaking using VA, MA or a transitional measure on the risk-free interest rate would be the same as for another insurance undertaking which is not using VA, MA or a transitional measure on the risk-free interest rate?	Public
1.7.	Same question exposed above (reference 1.6) related in this point with the interaction between the VA or the transitional measure on risk-free interest rates and the spread risk SCR sub-module. In the current drafting it is not very obvious that the specific guideline only applies to spread risk in the standard formula. Even though article 1.2. notes that the guidelines focus on the interaction of LTG measures with the SCR calculated in accordance with the standard formula, we would suggest to reiterate this in the guideline or the paragraphs supporting a guideline.	Public
1.8.	We suggest that the guideline mentions or includes the transitional measures on risk-free interest rates and on the volatility adjustment, since they impact the level of technical provisions for long-term business.	Public
1.9.	As it is generally known, the transitional measure on the risk-free interest rate has an impact on the calculation of the technical provisions. Therefore, we suggest that the guideline mentions or includes the transitional measure on risk-free interest rates, since they impact the level of technical provisions for long-term business.	Public
1.10.		
1.11.	Same question exposed above (reference 1.9) related in this point with the interaction between the transitional measure on technical provisions and the MCR calculation.	Public
1.12.		
1.13.		
1.14.	When calculating the risk margin, insurance undertakings usually use their own SCR calculation as for the SCR of the reference undertaking. Therefore, the effect of this guideline is that insurance undertakings would necessarily recalculate the SCR of the reference undertaking, at least the for the operational SCR calculation which would be different from the SCR _{ru} . This could entail a significant	Public

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	workload for a potentially small difference in results.	
1.15.		
1.16.		
1.17.	We suggest to mention the transitional measures on technical provisions in this guideline, too.	Public
1.18.		
1.19.		
1.20.		
1.21.		
1.22.		
2.1.		
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2.3.		
2.4.		
2.5.		
2.6.		
2.7.		
Annex		
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