

**Comments Template on EIOPA-CP-14-062
Draft proposal for the Advice to the European Commission
in response to the Call for Advice on recovery plan, finance scheme
and supervisory powers in deteriorating financial conditions**

**Deadline
18.Feb.2015
23:59 CET**

Company name:	Deloitte Touche Tohmatsu (DTT)	
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 introduce any change in column "Reference". ⇒ 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 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-14-062.</p>		
Reference	Comment	
General Comment	- We suggest EIOPA indicates if special provisions and criteria are applicable in the case of an extension of the recovery periods in case of exceptional adverse situations (art. 138-4 - OII).	
Legal background		
Recovery plan and	- We suggest the recovery plan / finance scheme include a link with the last ORSA report, to	

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finance scheme: analysis	<p>highlight why the SCR / MCR have been breached whilst ORSA was supposed to prevent such a situation, and why the contingency plan foreseen by the ORSA has not been effective.</p> <ul style="list-style-type: none"> - In case of a breach on the SCR/MCR and due to the expectation of a projected finance scheme and projected balance sheet estimates: we understand that the ORSA methodology is expected to be revised as part of the recovery plan / finance schemes, as ORSA is supposed to prevent SCR/MCR breaches 	
Content of the recovery plan and finance scheme (1)	<p>MCR/SCR projections during recovery period:</p> <ul style="list-style-type: none"> - NCAs have to approve the plan based a.o. on the MCR/SCR projections which are not explicitly mentioned in the content of the recovery plan and finance scheme <p>MCR/SCR projections after recovery period:</p> <ul style="list-style-type: none"> - We suggest that the prospective SCR/MCR should be provided for the same deadlines as for the balance sheet, and not only at the end of the recovery period (projected balance sheet is required at the end of the recovery period, end of related financial year and end of subsequent financial year). We understand from policy issue 2 on "Sustainability of the recovery" that this would be the purpose to have such an information but this is not explicitly mentioned in the content of the recovery plan and finance scheme. 	
Content of the recovery plan and finance scheme (2)	<ul style="list-style-type: none"> - We would expect some information w.r.t. the level of non-compliance: solo or group and interactions within the group structure (e.g.: is a parent company in state to provide additional funds without breaching its own SCR?) - There appears to be no specific extra requirement for undertakings that are considered as systemic. 	
Forecast balance sheet and estimates		
Overall reinsurance policy	<ul style="list-style-type: none"> - We suggest that other policies than the reinsurance policy could be considered here (eg risk management policy,...). as they might also have an important impact on SCR/MCR coverage. We acknowledge that art. 142 of S2 does not foresee any other policy but this could be included in additional information. 	
Non-compliance with	<ul style="list-style-type: none"> - We would welcome the possibility of submitting a single report in such a case. 	

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both the MCR and the SCR at the same time	- A maximum deadline for approval or rejection by the supervisory power should be defined	
Approval of the recovery plan and finance scheme		
Supervisory powers in deteriorating financial conditions:analysis	- We understand the balance between convergence versus flexibility to address properly a situation. Without considering the need for an exhaustive list, some examples would be welcome (incl. illustration of possible pro-cyclical effects).	
Supervisory powers in deteriorating financial conditions (1)		
Supervisory powers in deteriorating financial conditions (2)		
Supervisory powers in deteriorating financial conditions (3)		
Supervisory powers in deteriorating financial conditions (4)		
Supervisory powers in deteriorating financial conditions		

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(5)		
Annex I – General Comment		
Annex I – Section 1		
Annex I – Section 2		
Annex I – Section 3		
Annex I – Section 4		
Annex I – Section 5		
Annex I – Section 6	- As indicated above, we would promote sustainability of the recovery even before the end of the recovery period of the recovery plan. This requirement is only considered in case of further deterioration.	