

**Comments Template on Consultation Paper on the  
Proposal for Guidelines on  
Forward Looking assessment of the undertaking's own risks  
(based on the ORSA principles)**

**Deadline  
19 June 2013  
12:00 CET**

Name of Company:	Groupe Consultatif Actuariel Européen	
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"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ 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>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-13-009@eiopa.europa.eu">CP-13-009@eiopa.europa.eu</a>. Our IT tool does not allow processing of any other formats.</b></p> <p>The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.</p>		
<b>Reference</b>	<b>Comment</b>	<b>Resolution</b>
<b>General Comment</b>	<p>We welcome an early preparation for the application of Solvency II. The guidelines should also help to promote consistency across member states.</p> <p>We believe the introduction of the ORSA will be of great benefit from a risk management perspective and that it is important that (re)insurers should make progress in establishing their ORSA process during the preparatory phase. We expect that the quality of ORSA submissions will</p>	

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19 June 2013  
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evolve and improve over time. In this respect the preparatory phase allows a baseline “best efforts” ORSA to be established by the time Solvency II goes live.

But it has to be acknowledged that by now there is still no reliable basis for the calculation of e.g. technical provisions.

Our comments and observations should be seen in the context of supporting the thrust of the guidelines while recognising some of the practical challenges they create for (re)insurers.

As required by EIOPA, we will focus our comments on the guidelines and not on the Explanatory Text. But we would like to emphasize that the Explanatory Text contains various requirements that seem to be not consistent with the guideline. There is a risk that the explanations reflect future supervisory expectations, so a consultation should either reflect these or they should entirely be deleted.

It would be helpful to clarify the impact that these preliminary implementation of Solvency II are expected to have on the activities of the regulators. According to the cover letter (in 1.5) that NCAs are not required to take action for undertakings not complying with Solvency II (and Pillar I) requirements. This may lead to differing approaches across the European markets, which would not be in the spirit of Solvency II as long as Omnibus 2 is not adopted and therefore Solvency I is the predominant supervisory instrument in daily business of the companies. .

A Solvency II basis is mentioned throughout these guidelines. Although there is continuing progress towards a common understanding of what this means, there are still significant areas of uncertainty as long as the technical specifications for the valuation of long term business in particular are still missing or unclear. The risk of forcing firms to use a basis with an unconfirmed regulatory provenance is that the ORSA will not, in the run up to Solvency II, be the useful management tool that is intended to be.

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19 June 2013  
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Hence, it has to be considered that the guidelines do not contain violations of the level playing field, neither during the preparatory phase, nor afterwards. It should be paid attention to the fact that regarding regulatory law, no two class society will evolve.

Regarding the reporting dates and periods, we recommend consistency with the other preparatory guidelines .

Some observations:

**a)** Overall the guidelines are very similar to a full implementation of the ORSA guidelines from 2012, and go beyond what we would expect for a “preparatory phase”. In particular, the guidelines are almost identical to those in the Final Report on CP08 published by EIOPA in July 2012. There is no reference to the fact that different regulatory capital requirements will be in place during 2014 and 2015. Undertakings are being asked to perform an ORSA, and to use its output, “as if” the Solvency II was in place. This does not fit in with the reality of undertakings operating in a Solvency I regime.

The guidelines should be amended to recognise the reality of companies operating under Solvency I for regulatory purposes during the preparatory phase.

**b)** One difficulty we foresee is the requirement to analyse regulatory solvency on a Solvency II basis before this is the actual regulatory requirement. This “shadow Solvency II” imposes extra burdens on insurers without any clear benefit.

An alternative phased approach would see insurers providing information on a planned timetable over 2014/15 to the regulator to demonstrate preparation for the ORSA culminating in a full ORSA “dry run” in the second half of 2015.

**c)** The requirement to project regulatory solvency on a SII basis as early as 2014 is very ambitious and the effort required by insurers should not be underestimated.

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19 June 2013  
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We propose an alternative where insurers would have the option to apply the preparatory guidelines for ORSA/FLA in an incremental fashion over 2014-15. In particular, those guidelines referring to Solvency II regulatory requirements and technical provisions could be deferred until the later part of the preparatory phase and the initial assessment in 2014 would concentrate on the “own assessment” of solvency needs.

**d)** The guidelines apply in different ways to different companies depending on the market share thresholds as set out in guideline 3.  
It would be much clearer to show a table of the guidelines with an indication for each individual guideline of whether, and to whom, it applies during the preparatory phase.

**e)** We find the timing of the requirements unclear – in particular is a FLA required in 2014 or required in 2015 based on end 2014 position?  
The terminology “as of 2014” should be clarified, for example by giving specific values for the latest “as-at” date and the latest completion-date for the assessment.

**f)** With no fixed implementation date for Solvency II currently available, we note that any such parallel running may be in place for an extended period of time at significant costs to firms and consumers. The consultation depends on there being a limited preparatory phase. However if SII is further delayed beyond 2016 then the requirements in this consultation should also be delayed to avoid too long of a “shadow phase”.

**Introduction General  
Comment**

1.1

<b>Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</b>		<b>Deadline 19 June 2013 12:00 CET</b>
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1.9	<p>The terminology "as of 2014" is too vague. Does this mean that an assessment must be completed as at 31/12/13 or that the first assessment must be done "as at a date" no later than 2014?</p> <p>The terminology "as of 2014" should be clarified. For example we would suggest giving specific values for the latest "as-at" date and the latest completion-date for the assessment.</p>	
1.10	<p>We question the value of a requirement to demonstrate continuous compliance with statutory requirements that are neither finalized nor in effect during the preparatory phase. The requirement to project regulatory solvency on a SII basis as early as 2014 is very ambitious and the effort required by insurers should not be underestimated.</p> <p>We propose an alternative where insurers would have the option to apply the preparatory guidelines for ORSA/FLA in an incremental fashion over 2014-15. In particular, those guidelines referring to Solvency II regulatory requirements and technical provisions could be deferred until the later part of the preparatory phase and the initial assessment in 2014 would concentrate on the "own assessment" of solvency needs. .</p>	
1.11		
1.12	We agree that guidelines should focus on what is to be achieved, rather than how or when, as this	

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	allows insurers to design a process appropriate to their own risk profiles.	
1.13		
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1.16	This may cause difficulties if some of the Group's regulators choose not to comply with the preparatory guidelines.	
1.17		
1.18		
1.19	This presupposes the unapproved model is ready for use in 2014. Is this the case for all such firms?	
1.20	Without having to read the guidelines very carefully it is not immediately clear what certain terminology in the guidelines refer to. One example is "overall solvency needs" as used in Guidelines 11 and 12. We take this to refer to the insurers own assessment of its solvency needs – sometimes termed "economic capital requirement", as opposed to regulatory capital requirements.  It would be useful to develop a set of such terminology, define it clearly here and use it consistently in the guidelines.	
1.21	See above General Comment No. 3.	
<b>Section I. General Comments</b>	<b>A few NCAs are thinking of a threshold in absolute terms (total balance sheet) which is easier to assess, but it can give a bias to the conclusions by neglecting small entities. From an actuarial standpoint, small entities present specific risks which have to be taken into account.</b> EIOPA has specified that the development of the forward looking assessment should be subject to	

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**Deadline  
19 June 2013  
12:00 CET**

	<p>a period of “phasing in”. This is only vague and undefined in the guidelines. Rather EIOPA has left this as an option for NCAs to apply locally.</p> <p>Furthermore, it is unclear as to how NCA’s will proceed to meet the requirement of identifying at least 80% of the market to perform this assessment.</p> <p>The reporting timescales imposed on NCAs in the guidelines may suggest that firms will be required to produce Solvency I and Solvency II assessments in parallel potentially over an extended period until Solvency II is fully implemented.</p>	
1.22	<p>ORSA is supposed to be fully embedded as at 1/1/2014. The cover note includes on the contrary a “phasing in”. A timetable of implement should be settled, in order to be realistic to make sure that the full implementation is made as at 1/1/2016.</p>	
1.23		
1.24	<p>The deadline « 28.2.2015 » for the national authorities implies a much earlier deadline for the undertakings to report to the national supervisor, the date should be delayed. This is important in case of future changes of pillar 1. The time span could become narrow.</p>	
1.25	<p>The terminology “starting in 2014” is too vague. Does this mean that an assessment must be completed by 31/12/13 or that the first assessment must be done “as at a date” no later than 2014?</p> <p>The terminology “starting in 2014” should be clarified.</p>	
1.26	<p>The language is a bit confusing here: Would this be clearer reworded as “National competent authorities... perform an assessment <b>of whether</b> the undertaking would comply ...starting in 2014.” i.e. replace “if” with “of whether”?</p> <p>See above in response to paragraph 1.10. We believe insurers should have the option to defer the assessment of compliance on a continuous basis with SII Technical Provisions and SCR until the later stages of the preparatory phase.</p>	

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	<p>The guidelines should set out clearly (without referring the reader elsewhere) how NCAs will apply the thresholds and the date by which insurers will know if they are within or outside the threshold(s)</p> <p>Rather than the complicated wording in paragraphs 1.26-1.29 it would be much clearer to show a table of the guidelines with an indication for each <u>individual guideline</u> of whether, and to whom, it applies during the preparatory phase.</p>	
1.27	<p>As discussed above it is premature to ask insurers and groups to assess whether they would continuously comply with SII regulatory capital requirements from 2014, particularly as the requirements have not been finalised.</p> <p>We believe insurers should have the option to defer the assessment of compliance on a continuous basis with SII Technical Provisions and SCR until the later stages of the preparatory phase.</p>	
1.28	<p>In case of a pre-application for an internal model, not only the insurer has to conduct calculations according to the standard formula, but the ORSA itself has to be conducted with the standard formula and with the internal model approach. This is too heavy for preparatory measures of S2.</p> <p>It is dissatisfactory that Insurers applying for internal models should be required to have a detailed "Plan B" assessment assuming their model fails to get approval.</p> <p>It would be preferable for such insurers whose models are unlikely to achieve approval to be identified at an early stage and they could concentrate on the Standard Formula rather than a model that may not be successful. Relegating the SII regulatory capital aspects of the ORSA / FLA into the later part of the preparatory phase would allow further time for such a model assessment by NCAs to be applied.</p>	
1.29	<p>According to this paragraph, an insurer has to assess "significant" deviations. "Significant" has to</p>	



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19 June 2013  
12:00 CET**

	<p>be explained (what is the level of materiality) by a policy of the AMSB. Generally, we appreciate a level playing field also during the preparatory phase. As suggested for projections of regulatory capital, insurers should have the option to defer this aspect of the assessment until the later part of the preparatory phase as it depends on a calculation that has not been fully specified and which will not apply in regulatory practice during the preparatory phase.</p>	
<b>Section II. General Comments</b>	The Pillar 1 is still not stabilised. It can hardly be expected that the same rules are applied by each country. NCAs might come to different approaches	
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1.31		
1.32	<p>The required report on the undertaking's own risks is comprehensive and overlaps with other existing reports (e.g. report of the actuarial function, documents regarding the internal model certification). Therefore it should be possible to include these reports as part of the report on the undertaking's own risks (e.g. via cross reference). If this is not the case, strict consistency between the report on the undertaking's own risks and the other reports must be safeguarded."</p> <p>The guideline should be flexible enough to allow the undertaking to combine documents where it makes sense to do so. For example we can foresee cases where the internal and supervisory report would be the same. This is discussed in the explanatory test and would be usefully included in the guideline proper.</p>	
1.33	Guideline 7 requires consideration of the link between the risk profile, the approved risk tolerance limits and the overall solvency needs. The meaning of "approved risk tolerance limits" is ambiguous and should be clarified. In this regard, we note that the terms "Risk Appetite" and "Risk Tolerance" and whether they should be defined for Solvency II purposes is discussed in CP 13/008 (paragraphs 2.55 and 2.56). Cp13/008 appears to leave open the exact meaning of the two terms and hence the potential for ambiguity in Guideline 7.	

<b>Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</b>		<b>Deadline 19 June 2013 12:00 CET</b>
	<p>As a board level document, we believe the ORSA policy should focus on principles, and include only an outline of the processes and procedures rather than a detailed description.</p> <p>Under (c) we would suggest adding “or other relevant analysis “ between “reverse stress tests” and “are to be performed”</p> <p>To the extent that the reference to “volatility of solvency needs relative to its capital position require” refers to the SII regulatory capital position insurers should have the option to defer this guideline until the later part of the preparatory phase.</p>	
1.34		
1.35	Guideline 9 says “once the process and the results have been approved by the AMSB”. As the process would necessarily be approved as part of the ORSA/FLA policy, it would be clearer just to say “once the results have been approved by the AMSB”.	
1.36	<p>The interconnectedness with other reports (e.g. the report of the actuarial function) should be taken into account.</p> <p>Guideline 10 requires that an undertaking submits the supervisory report within 2 weeks of concluding the assessments. Precisely what constitutes conclusion of assessments must be clarified.</p> <p>We recommend a definition of “conclusion of assessment” consistent with the explanatory text which refers to “when the AMSB has reviewed and approved the outcome of the assessment” including the regulatory report .</p>	
<b>Section III. General Comments</b>	<b>The 1<sup>st</sup> pillar is still not stabilised. Which SCR rules shall be applied: specific rules per country?</b>	
1.37	Many UK firms will have a twin target for solvency in the run up to Solvency II. They will need to	

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19 June 2013  
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	<p>comply with the UK's Individual Capital Assessment regime and also with the current Solvency I requirements. These two systems may provide a very different result at each point in the FLA. If it is accepted that these firms will continue to be required to do two FLAs under the interim rules until the Solvency II regime commences it should be noted that this is a continued duplication of process and calculations beyond the original expectations.</p> <p>We understand that firms subject to the 80% threshold will have to use Solvency II as their solvency metric and that firms outside this threshold may still need to carry out two separate assessments.</p> <p>If valuation and recognition bases used for the calculation of the overall solvency needs differ from the Solvency II base, only a significant impact on the overall solvency needs should be quantified, i.e. the aspect of materiality has to be considered.</p>	
1.38	<p>The guideline requires the assessment of the impact on the own solvency needs if a different recognition and valuation basis is needed. For this it is necessary that the technical specifications for the calculation of the technical provision have been provided similar to 1.29.</p> <p>We suggest dropping this requirement until solvency II is fully in-force, otherwise expecting undertakings to employ the same level of effort as if Pillar 1 were actually in effect.</p>	
1.39	<p>The technical specifications for the calculation of the technical provision is needed to perform an assessment of the own funds as prescribed in 3.34 of the explanatory text (ET). This implies that the assessment of own solvency needs is not irrespective of "pillar 1" inconsistent with 1.9.</p> <p>Without having to read the guidelines very carefully it is not immediately clear what certain terminology in the guidelines refer to. One example is "overall solvency needs" as used in Guidelines 11 and 12. We take this to refer to the insurers own assessment if its solvency needs – sometimes termed "economic capital requirement", as opposed to regulatory capital</p>	

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**Deadline  
19 June 2013  
12:00 CET**

	<p>requirements.</p> <p>It would be useful to develop a set of such terminology, define it clearly in paragraph 1.20 and use it consistently in the guidelines.</p>	
1.40	<p>Mentioning stress-tests and sensitivity analyses looks prescriptive, but this list should not be seen as exhaustive and should not restrict the range of methods undertakings might wish to use. Therefore we suggest the following redraft: "(...) the undertaking subjects the identified material risks to a sufficiently wide range of <del>stress test or scenario</del> analysis to provide an adequate basis for the assessment of the overall solvency needs."</p> <p>Furthermore, to develop an understanding of the overall solvency needs, expert judgement and qualitative approaches as e.g. the prudent person principle can and need to be taken into account.</p> <p>It should be clarified that NCA will not be expected to pre-define what is a "sufficiently wide" range of tests.</p>	
1.41	<p>A medium-term or long-term assessment appears to be a sensible approach as stated in the original Level 3 ORSA guidance. However, further clarity regarding expectations may be helpful to avoid undertakings carrying out unnecessary work / calculations.</p> <p>Medium or long term should be defined by reference to the business planning period, as is the case in guideline 14. The expanded wording from the explanatory text (paragraph 3.43) would be usefully included here</p>	
1.42	<p>As long as Solvency II is not finalised steering of a company is based on existing regulatory requirements. Uncertainty caused by still open issues (LTGA) in the SII regulatory regime might be exacerbate the use in daily business.</p>	

**Comments Template on Consultation Paper on the  
Proposal for Guidelines on  
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**Deadline  
19 June 2013  
12:00 CET**

We understand Guideline 14 as requiring the ability to calculate the regulatory capital requirements (SCR/MCR) not just at a single point in time, but also to project these calculations forward in time to assess regulatory compliance on a continuous basis. The requirement to project regulatory solvency on a SII basis as early as 2014 is very ambitious and the effort required by insurers should not be underestimated.

We propose an alternative where insurers would have the option to apply the preparatory guidelines for ORSA/FLA in an incremental fashion over 2014-15. In particular, those guidelines referring to Solvency II regulatory requirements and technical provisions could be deferred until the later part of the preparatory phase and the initial assessment in 2014 would concentrate on the "own assessment" of solvency needs. Consideration should also be given to how simplifications can be incorporated into projections of the SCR/MCR

1.43

The task of the actuarial function is not clear. What is the expectation?

*"...the actuarial function of the undertaking provides input if the undertaking would comply continuously with the requirements regarding the calculation of technical provisions and the risks arising from this calculation."*

AF is asked to provide input on compliance with requirements regarding the calculation of technical provision. It is unclear what this input should comprise.

Possible interpretations include

- The AF must provide input as to whether insurers are able, at all times in the preparatory phase, to calculate TPs on a Solvency II basis (allowing for the fact that certain elements of the basis are not finalised) ?
- The AF provides input into the projections of Technical Provisions used in the ORSA/FLA,

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Proposal for Guidelines on  
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**Deadline  
19 June 2013  
12:00 CET**

	<p>and the associated uncertainty around those values?</p> <ul style="list-style-type: none"> <li>• monitoring of actual reserve development against that expected in the reserving basis could be explicitly mentioned?</li> </ul> <p>The guidelines should clarify what is meant by the expression “whether or not the undertaking would comply continuously with the requirements regarding the calculation of technical provisions”</p> <p>This is again an area where we recommend insurers have the option to defer the particular guideline until the later part of the preparatory phase.</p> <p>On a point of wording we suggest “provides input <b>as to whether</b> the undertaking” rather than “if”</p>	
1.44	<p>Guideline 16 requires an undertaking to assess whether its risk profile deviates from the assumptions underlying the Solvency II Solvency Capital Requirement calculation and whether these deviations are material.</p> <p>Where quantification is impractical, judgemental or highly uncertain it would be more appropriate for an undertaking to “<b>consider</b>”, rather than “<b>assess</b>”.</p> <p>It would be useful to add to this guideline some of the material in sections 2.66-2.70 which explains that the assessment may be qualitative in the first instance and need be quantitative only if deviations are significant.</p> <p>This is another area (relating to Pillar I) which we recommend is deferred until the later part of the preparatory phase.</p> <p>Given that the standard formula has not been finalized, firms might be reserved to make conclusions whether the standard formula is appropriate since this could mean that they should</p>	

<b>Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</b>		<b>Deadline 19 June 2013 12:00 CET</b>
	effectively go for an (partial) internal model when the standard formula changes.	
1.45	<p>We note that the text set out in guideline 17 effectively requires firms to manage key parts of their business with consideration of the forward looking assessment. As the results and insights of the assessment will be gathered through consideration of Solvency II Pillar 1 items, this may mean that these measures will gain more significance than current Solvency I metrics in strategic management processes and decision-making during the preparatory period.</p> <p>Guideline 17 would benefit from being expressed in more generic terms, perhaps using wording from the explanatory text (paragraph 3.65) which appears more appropriate. The emphasis on “capital management and business planning” is understandable but unnecessary. The specific emphasis on “product development and design” may depreciate other applications.</p> <p>This is one particular example where the convoluted requirement on NCAs to “ensure that the undertaking takes into account the results of the forward looking assessment of the undertaking's own risks and the insights gained during the process of this assessment in at least ...” reads a little strangely, as opposed to direct guideline for insurers.</p>	
1.46		
<b>Section IV. General Comments</b>	<p><b>There are many subsidiaries which are simple shells (without salaried members) and which governance is entirely at the Group's level. In France many specificities exist for Groups (SGAM, UGM, UMG, GIE,...). This CP is not designed for them. The level of solidarity to be considered as a group should be specified (the definitions of 1.20 do not cover this)</b></p> <p>Clarification needs to be given for situations where different group regulators take a different approach to the adoption of the preparatory guidelines</p> <p>For the purposes of the preparatory guidelines what is the definition of a Group? For example the</p>	

<b>Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</b>		<b>Deadline 19 June 2013 12:00 CET</b>
	Directive refers to subsidiaries of Insurance / Reinsurance undertakings – what about insurance subsidiaries of other companies where the holding company is not an insurer (e.g. banks)?  The definition of a Group should be clarified.	
1.47	We understand that the ORSA/FLA will be done based on the structure of the group as a collection of regulated entities rather than as a collection of business units. This is not ideal as it is not the way in which many groups manage their business.	
1.48	This article covers the reporting to the Supervisor. Another issue is the confidentiality of the information towards the public and competitors in the SFCR. The ORSA includes namely business secrets.	
1.49		
1.50	We agree with this guideline and stress the link to the group capital management function. Here, evidence needs to be provided that the group actually operates on the basis it assumes in the ORSA  <b>Clarification Required:</b> in (d) do the 'individual strategies' refer to specific strategies with respect to Own Funds only or more generally?	
1.51		
1.52	The wording here is particularly convoluted and could be significantly improved. For example: <i>"For groups using an internal model, the group level ORSA should make clear which entities within the group do not use the internal model to calculate their SCR and explain why this is the case."</i>	
1.53		
<b>Compliance and Reporting Rules General Comments</b>		
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**Comments Template on Consultation Paper on the  
Proposal for Guidelines on  
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1.56	Companies will be interested to know if their regulator plans to comply at the earliest possible date. It should be a requirement on NCAs known whether they will comply by the earliest date possible.	
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<b>Impact Assessment – General Coments</b>		
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2.8	We agree that on balance preparatory guidelines should be introduced. The issue then is the scope, scale and phasing of the preparatory guidelines vis-a-vis the eventual full implementation.	
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**Comments Template on Consultation Paper on the  
Proposal for Guidelines on  
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2.21	<p><b>Observation:</b> The existence of separate thresholds for            (i) Assessment of Overall Solvency Needs            (ii) Assessment versus Regulatory Requirements            (iii) Assessment of risks versus Standard Formula            is not immediately clear from paragraphs 1.25-1.29.</p> <p><b>Recommendation:</b> It would be clearer to indicate (perhaps in a table) specifically which guidelines apply to all insurers and which apply only to those above the threshold: e.g. Guidelines 14 and 16 appear to apply only above the threshold</p>	
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**Comments Template on Consultation Paper on the  
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Question 1	<ul style="list-style-type: none"> <li>- We welcome the need to perform the FLA in general and EIOPA's encouragement for a clear and transparent dialogue between the undertaking and the NCA while at the same time, no supervisory action is envisaged after conducting the assessments as mentioned in 2.45. This view should be more highlighted and formalized in the guidelines to decrease the undertaking's uncertainty about the preparatory phase – in particular given the current state of preparedness of the undertakings.</li> <li>- We do not agree that the assessment of Own Solvency Needs is irrespective of the regulatory regime in place. The the regime defines the technical specification for the calculation of the technical provisions. This has considerable influence on the results for long term guarantee business. We expect that in practice, all 3 assessments of the FLAOR (i.e. assessment of the overall solvency needs, assessment of the deviation of the standard formula assumptions from the own risk profile, continuous compliance with regulatory capital requirements) are interconnected.</li> <li>- According to 2.18 EIOPA believes that it is not appropriate for NCA to expect that all guidelines are met in the same way (see 2.18) by all undertakings. This could lead to ambiguity.</li> </ul>	
Question 2	Providing examples of the process would hinder the flexibility for undertakings to devise their own.	

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Proposal for Guidelines on  
Forward Looking assessment of the undertaking's own risks  
(based on the ORSA principles)**

**Deadline  
19 June 2013  
12:00 CET**

	An example of a supervisory report or detail listings of what supervisors would need to know could be beneficial (although partly included in the Explanatory Text to Guideline 10.	
Question 3	This should be allowed as it would be an unnecessary burden for firms to develop separate processes for the preparatory phase and then to change them when Solvency II is in place. Also it would allow supervisors to review the quality of the solo-entity information in the single documents.	
Question 4	This is not necessary, it should be left to undertakings to devise their own	
Question 5	To assess respectively evaluate a deviation, expert judgement and qualitative approaches as e.g. the prudent person principle can and need to be taken into account. Material deviations may require a quantitative assessment. A quantitative assessment for <b>all deviations</b> from the standard formula regardless of their significance would be impractical and of little value for those risks which have no material impact on the risk profile. This would also be contrary to the principle of proportionality.	
Question 6	Yes, should be allowed as not allow internal models would defeat the purpose of the preparatory phase as it would create a misleading picture of the future solvency position of undertakings	
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2.42	The calculations required for assessing compliance with future SII regulatory capital requirements are very complex and should not be underestimated. This is one of the reasons we propose a phased approach	
2.43	The solvency position of companies based on a Solvency II basis, (using estimated Pillar 1 requirements) should be evident from QIS submissions such as the recent LTGA exercise.  Therefore, except for those companies who have not yet performed and submitted to their NCA a QIS calculation we do not consider this regulatory compliance assessment essential as part of the ORSA/FLA	

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2.44	Asking undertakings to embed a BAU Pillar 1 process two years before the current, expected, provisional date of full SII implementation, at a time when even this date is not final, and when Pillar 1 requirements are not final either, is arguably unnecessary and puts undue strain on resources. The complexity of the calculations involved should not be underestimated	
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**Deadline  
19 June 2013  
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