

**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:	Institut des Actuaire	
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"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ 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 numbers below. <p>Please send the completed template, in Word Format, to CP-13-009@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</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>		
Reference	Comment	Resolution
General Comment	<p>The Institut des Actuaire welcomes this CP, which guidelines are in line with the spirit of the directive.. This CP is named Forward looking assessment of the undertaking's own risks, which is more restrictive than ORSA (why?). Nevertheless the content of the CP seems as large as ORSA.</p> <p>This CP is not very prescriptive which is appropriate for internal studies as the ORSA.</p>	
Introduction General		

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Section I. General Comments	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.	
1.22	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 implementation should be settled, in order to be realistic to make sure that the full implementation is made as at 1/1/2016.	
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1.28	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.	
1.29	According to this paragraph, an insurer has to assess "significant" deviations. "Significant" has to be explained (what is the level of materiality) by a policy of the AMSB.	
Section II. General Comments		
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Section III. General Comments	The 1st pillar is still not stabilised. Which SCR rules shall we apply: specific rules per country?	
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Section IV. General Comments	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)	
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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.	

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Compliance and Reporting Rules General Comments		
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Impact Assessment – General Coments		
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Question 1		
Question 2		
Question 3		
Question 4		
Question 5		
Question 6		
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