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 Undertaking:	MetLife	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
	Please follow the following instructions for filling in the template: ⇨ 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 empty. ⇨ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty. ⇨ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. **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.** The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.	
Reference	**Comment**	**Resolution**
General Comment	Our key comment is that 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions.	

	We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking’s own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
Introduction General Comment		
1.1		
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1.6	The intention of the Interim Guidelines is to encourage demonstrable progress during 2014 and 2015 toward the capability of full compliance as of the effective date of Solvency II – assumed to be 01/01/2016. As such, NCAs should expect to see more complete and higher quality output	

	over time.	
1.7		
1.8	We agree that it makes sense for undertakings to undertake a forward looking view on the risks to which they are exposed and that early prepration is needed given the time it takes to build a projection system.	
1.9	We agree that this assessment can be undertaken irrespective of what regulatory regime applies. As such a key risk in the forward looking risk assessment is the risk of a breach in the applicable regulatory solvency requirements. Prior to Solvency II implementation this means a breach of Solvency I capital requirements. This implies the need to project and stress test on a Solvency I basis. This, together with the requirements of 1.10 below, imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report,	

	while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
1.10	Firstly, there is still considerable uncertainty with regards to the final form of the Solvency II technical provisions and capital requirements. Requiring undertakings to project on an uncertain basis may lead to inconsistencies of results across Europe. It also makes it very difficult, if not impossible, to assess the deviation of the risk profile from the (unfinalised) assumptions underlying the SCR. We propose that undertakings should not be required to include the Sovlency II basis in their formal forward looking assessment for these reasons ; while at the same time being required to demonstrate to NCAs that they will have the capability to do so once Solvency II is implemented. Secondly, as per our comment in 1.9 above, 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position.	

	This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
1.11	Agreed.	
1.12	Agreed. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	

1.13		
1.14		
1.15	Agreed. This recognises that the SCR calculation is not the only way of identifying material risks . We believe that the qualitative risk assessment is a very important part of the forward looking risk assessment. There is a risk that there could be less focus on this aspect if a undertaking is required to focus its efforts on projecting the capital requirements on multiple bases as implied by 1.9 and 1.10 above. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II. .	

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Section I. General Comments		
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1.23	Agreed. However, as per our comment in 1.9 above, 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward	

	looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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1.26	As per our comments in 1.9, 1.10 above, we do not agree that undertakings should be required to comply with this requirement. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II	

	basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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1.29	As per our comment in 1.10 above, there is still considerable uncertainty with regards to the final form of the Solvency II technical provisions and capital requirements. This makes it very difficult, if not impossible, to assess the deviation of the risk profile from the (unfinalised) assumptions underlying the SCR. We propose that undertakings should not be required to include the Sovlency II basis in their formal forward looking assessment for these reasons ; while at the same time being required to demonstrate to NCAs that they will have the capability to do so once Solvency II is implemented.	
Section II. General Comments		
1.30	Agreed.	
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1.33	We note that it may be more practical to include these requirements in more than one document, which together would make up the ORSA policy.	
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1.36	We agree that the report should present items (a) and (b). As per our comments in 1.9, 1.10 above, we do not agree that undertakings should be required to comply with requirement (c). We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
Section III. General Comments		
1.37	We agree the undertakings should be able to use a basis different valuation basis to Solvency II and justifies the approach. However, as per our comment in 1.9 above, 1.9 and 1.10 together do not appear consistent with	

	this guideline, as they imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
1.38	We do not agree that , prior to Solvency II, undertakings should be required to quantify the forward looking solvency assessment on multiple bases and then reconcile the results. This would place an excessive burden on undertakings. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period,	

	each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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1.42	As per our comments in 1.9, 1.10 above, we do not agree that undertakings should be required to comply with the requirement to project capital requirements on the Solvency II basis. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward	

	looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
1.43	There is still considerable uncertainty with regards to the final form of the Solvency II technical provisions and capital requirements. Requiring undertakings to project on an uncertain basis may lead to inconsistencies of results across Europe. We agree that the Actuarial function should provide input into the calculation of the technical provisions and the risk s arising from the calculation – but on the basis chosen by the undertaking, which we propose should not necessarily be the Solvency II basis but rather one appropriate to the undertaking's risk profile and capital position, in line with Guideline 4 and 11.	
1.44	We do not agree that, prior to the implementation of Solvency II, undertakings should be required to assess whether the risk profile deviates from the assumptions underlying the Solvency II SCR. There is still considerable uncertainty with regards to the final form of the Solvency II technical provisions and capital requirements. This makes it very difficult, if not impossible, to assess the deviation of the risk profile from the (unfinalised) assumptions underlying the SCR. We propose that undertakings should not be required to include the Sovlency II basis in their formal forward looking assessment for these reasons ; while at the same time being required to demonstrate to NCAs that they will have the capability to do so once Solvency II is implemented.	

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Section IV. General Comments	Our key comment is that 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly for groups. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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Compliance and Reporting Rules General Comments		
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Impact Assessment – General Coments	In general we agree that issuing preparatory guidelines on the forward looking risk assessment is useful. Our key comment is that 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. This is not sufficiently reflected in the impact assessment. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet	

	local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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2.5	We do not agree that 2.5 (a) is necessarily an advantage to the industry. We believe that bringing in all aspects of the ORSA guidelines whilst Solvency I is still in force would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. This is not reflected in the impact assessment. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until	

	such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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2.11	We agree that supervisory requirements with regards to risk management should be harmonised. We do not agree that this necessarily means requiring compliance with all aspects of the ORSA principles prior to Solvency II. In particular we note that full harmonisation is not likely to be possible until the Pillar 1 requirements are finalised and that the quantitative requirements as they currently stand would place an excessive burden on undertakings whilst Solvency I remains in force.	
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2.14	We agree that supervisory requirements with regards to risk management should be	

	harmonised. We do not agree that this necessarily means requiring compliance with all aspects of the ORSA principles prior to Solvency II. In particular we note that full harmonisation is not likely to be possible until the Pillar 1 requirements are finalised and that the quantitative requirements as they currently stand would place an excessive burden on undertakings whilst Solvency I remains in force.	
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2.30	We agree that the ORSA process is a self assessment tool. This supports our proposal that in its forward looking risk assessment, prior to the introduction of Solvency II, each undertaking is required to project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until	

	such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself.	
2.31		
2.32	We do not agree that the guidelines have been sufficiently amended to accommodate the postponement of the Pillar 1 issues. They still imply a need to project and stress test capital requirements on a number of different bases, in particular the unfinalised Solvency II Pillar 1 basis and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of	

	its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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Question 1		
Question 2		
Question 3		
Question 4		
Question 5		
Question 6		
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2.42	We welcome the recognition that having to peform Solvency II assessments whilst Solvency I remains in force increases implementation costs. We believe that this has not been sufficiently considered in the impact assessment and that the requirements	

	are excessive as they currently stand.	
2.43	We agree that undertakings have to prepare to meet the quantitative requirements of Solvency II and early identification of issues is beneficial. However we do not agree that this means that undertakings should be required to project capital requirements on a Solvency II basis in the formal forward looking assessment. Undertakings can still develop and test their systems, assess draft Solvency II results and identify issues without this. Including this in the formal assessment would create excessive additional work in terms of explaining and reconciling the results on various different bases etc.	
2.44	We agree that undertakings have to prepare to meet the quantitative requirements of Solvency II and early identification of issues is beneficial. However we do not agree that this means that undertakings should be required to project capital requirements on a Solvency II basis in the formal forward looking assessment. Undertakings can still develop and test their systems, assess draft Solvency II results and identify issues without this. Including this in the formal assessment would create excessive additional work in terms of explaining and reconciling the results on various different bases etc.	
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2.50	We agree that undertakings should be able to structure the report as appropriate to them.	

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2.66	We agree that an initial qualitative assessment of this should be acceptable. We do not agree that this requirement should be included in the formal forward looking assessment prior to implementation of Solvency II. Firstly, there is still considerable uncertainty with regards to the final form of the Solvency II technical provisions and capital requirements. This makes it very difficult, if not impossible, to assess the deviation of the risk profile from the (unfinalised) assumptions underlying the SCR. We propose that companies should not be required to include the Sovlency II basis in their formal forward looking assessment for these reasons ; while at the same time being required to demonstrate to NCAs that they will have the capability to do so once Solvency II is implemented.	

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2.71	We agree that undertaking should be allowed to use an internal model as the basis of their forward looking assessment, if appropriate to them.	
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2.83	Our key comment is that this impact assessment does not place sufficient weight on the additional work created in the forward looking assessment where an existing regulatory regime already applies. 1.9 and 1.10 together imply the need to project and stress test capital requirements on a number of different bases and then reconcile the results. We believe that this would place an excessive burden on undertakings prior to Solvency II implementation, particularly undertakings with multiple business lines and / or undertakings with entities located in multiple jurisdictions. We propose instead that in its forward looking risk assessment, each undertaking should project	

	and stress test capital requirements on one basis only. We propose that during the interim period, each undertaking should project and stress test capital requirements on a Solvency I basis until such time as Omnibus II has been agreed. Esch undertaking will be required to consistently meet local Solvency I capital requirements until such time as Solvency II is in effect. This proposal is consistent with ORSA guideline 4 on Proportionality, Guideline 11 on Valuation and recognition of the overall solvency needs and Guideline 7 c) (iii) – all of which emphasize that the forward looking assessment should be the undertaking's own and the approach justified in the context of its own risk profile and capital position. This does not stop NCAs from assessing plans to ensure that the undertaking will ultimately be able to use its projection system to project and stress test capital requirements on a Solvency II basis. This assessment could be done in parallel with discussions on the ORSA supervisory report, while at the same time avoiding placing an excessive burden on undertakings by requiring results on multiple bases to be produced for the report itself, and prior to the final SCR details being agreed upon resouoltion of Omnibus II.	
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