

**Comments Template on  
Consultation Paper on EIOPA's second set of advice to the European  
Commission on specific items in the Solvency II Delegated Regulation**

**Deadline  
5 January 2018  
23:59 CET**

Name of Company:	PKV (Verband der Privaten Krankenversicherung e. V.)	
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, <u>in Word Format</u>, to <a href="mailto:CP-17-006@eiopa.europa.eu">CP-17-006@eiopa.europa.eu</a></b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></p> <p><b><u>The numbering of the reference refers to the sections</u></b> of the consultation paper on EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation. Please indicate to which paragraph(s) your comment refers to.</p>		
<b>Reference</b>	<b>Comment</b>	
General Comment	<p>We welcome the opportunity to comment on this discussion paper. In general we support the review of specific items in the Solvency II Delegated Regulation.</p> <p>However, the scope of this review should be broadened by the issue "SLT health mass lapse risk" (Art. 159 DA, 1. (c)). According to PKV (and the Austrian Insurance Association (VVO)) data base the current stress factor for the mass lapse risk of 40% is too high. Considering empirical data of PKV (and VVO) the risk factor for mass lapse risk is lower than 25%. Therefore, the mass lapse risk</p>	

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	<p>factor for SLT health should be validated within the review process.</p> <p>Furthermore, we would like to refer to the multidisciplinary comments of GDV (Gesamtverband der Deutschen Versicherungswirtschaft e.V.).</p>	
Introduction		
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3.1	As EIOPA highlights, there are numerous limitations to the methodology it followed for the recalibration exercise on longevity and mortality risks. Given the limitations of the recalibration methodologies, we believe that an increasing mortality risk factor is not justified.	
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4.5.3	In general we agree in dropping the 10 year scenario. However, the shift from 1.5% to 3.5% in permanent disability is too high.	
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17.4.2	Key principle 6 (p. 255-262): There should be no artificial time horizon for the projection of future profits stemming from the assets in excess of the technical provisions. One would expect that most of the assets are kept to cover some liabilities and that without these liabilities there would be fewer assets and fewer excess. This is for example the case in health insurance. Thus the time horizon for the projection of future profits stemming from the assess in excess of the technical provisions should be tied to the duration of these liabilities. In fact, the usage of an instantaneous loss in the definition of the LAC DT is very artificial. Most risks realize over a long period, consider for example interest rate, mortality etc. They don't lead to an actual a year loss, but to a reduced expectation for future profits over a long time period, thus no fiscal carry-forwards or carry	

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	backwards are needed. Hence, LAC DT occurs automatically in these stress scenarios.	
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