



EIOPA-CP-11/011

21 December 2011

**Consultation Paper  
on the Proposal  
for Quantitative Reporting Templates for  
Financial Stability Purposes**

# Table of contents

- 1. Responding to this paper ..... 3
- 2. Consultation Paper Overview & Next Steps ..... 4
- 3. General Reporting Requirements for Financial Stability Analysis Purposes6
- 4. Explanatory text..... 8
- 5. Technical Annex: Overview on templates, applicability and frequency ...10
- 6. Impact Assessment annex .....13
- 7. Questions for the Consultation .....18

# 1. Responding to this paper

EIOPA welcomes comments on the Consultation Paper on this proposal for quantitative reporting templates for financial stability purposes.

The consultation includes:

- this Consultation Paper;
- accompanying Spreadsheets, and LOGs;
- a Template for Comments.

Please send your comments to EIOPA in the provided Template for Comments, by email to [cp-011@eiopa.europa.eu](mailto:cp-011@eiopa.europa.eu), by 20 February 2012.

Contributions not provided in the provided template for comments, or sent to a different email address, or after the deadline will not be processed.

Comments are most helpful if they:

- contain a clear rationale;
- describe any alternatives EIOPA should consider;
- address the questions in chapter 7.

## **Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise in the respective field in the template for comments. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with EIOPA's rules on public access to documents<sup>1</sup>. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by EIOPA's Board of Appeal and the European Ombudsman.

## **Data protection**

Information on data protection can be found at [www.eiopa.europa.eu](http://www.eiopa.europa.eu) under the heading 'Legal notice'.

---

<sup>1</sup> [Public access to documents](#)

## **2.Consultation Paper Overview & Next Steps**

EIOPA carries out consultations in accordance to its Regulation No. 1094/2010.

### **Scope – Quantitative Reporting Templates**

- a. The additional information required in the present proposal for financial stability purposes shall be reported by large insurance groups and large solo undertakings not being a member of a group. It is proposed that the scope of the financial stability add-on is derived from a size criterion already known from the Financial Conglomerate Directive which is a balance sheet total of EUR 6 bn. Introducing a limited scope is also seen in line with general proportionality provisions. However, EIOPA intends to review the scope following the results of the public consultation.
- b. This public consultation has been preceded by Consultation Paper on Supervisory Reporting and Public Disclosure (EIOPA-CP-11/009). Although this is a separate consultation the content is highly related to the preceding consultation. EIOPA will consider the feedback received also together with feedback received from EIOPA-CP-11/009 and aims to do this by Summer 2012.
- c. As for EIOPA-CP-11/009, this public consultation is being organised before the agreement on the Omnibus II Directive and before the adoption of the proposal for delegated act by the European Commission.

### **Process**

This consultation presents an add-on to the general reporting requirements currently under consultation (as EIOPA-CP-11/009, including the cover note, accompanying spread-sheets and LOG files.

The present Consultation Paper is accompanied by spread-sheets and a LOG document, all setting out the additional reporting requirements pertaining to the future Financial Stability work of EIOPA.

Further, with regard to the financial stability add-on template, justifications for each template can be found in the spreadsheet tab 'Overview FS Needs'.

An analysis of the expected impact from the proposed policy is already covered under the Annex on Impact Assessment presented in the Consultation Paper on Supervisory Reporting and Public Disclosure EIOPA-CP-11/009.

This Consultation Paper contains an impact assessment which is a supplement to the main assessment conducted following EIOPA-CP-11/009. This impact assessment in particular supplements the assessment of the areas A-I in paragraph 4.4 of said document with an additional area: Simplified Quarterly SCR Calculation for Financial Stability Monitoring purposes.

### **Comments**

Specific comments to the reporting requirements for financial stability analysis purposes, explanatory text, technical annex, spreadsheets and/or log file can be addressed by using the template for comments provided by EIOPA.

### **Next steps**

EIOPA will consider the feedback received also in conjunction with feedback received on EIOPA-CP-11/009. EIOPA expects to finalise this consultation in summer 2012. The potential impact of future changes in the draft Delegated Act (OMDII) will be taken into account where relevant, i.e. the proposal may need to be adapted to the revised version of the relevant regulation, where appropriate, at a later stage.

### **3.General Reporting Requirements for Financial Stability Analysis Purposes**

#### **Applicability of financial stability add-on templates**

3.1. The following entities shall submit the information contained in the quantitative reporting templates for financial stability:

- 1) Undertakings with more than EUR 6 bn in balance sheet total;
- 2) Groups with assets with more than EUR 6 bn in balance sheet total.

3.2. If an undertaking in 1) is member of a Group in 2), the undertaking shall not submit this information.

3.3. In order to keep the sample composition more stable over time, admission to and deletion from the sample shall be phased in and phased out. This would mean that groups/undertakings whose total balance sheet is close to the threshold (EUR 6 bn ) shall not switch in and out every other year.

3.4. For admission to the sample, EIOPA will analyse, on an annual basis, by means of the information received by NSAs, whether groups/undertakings which are currently not part of the sample have total balance sheet of more than 7 bn EUR (current threshold plus EUR 1 bn ) – these groups/undertakings shall be included immediately (with an advance notice so that groups/undertakings have six months to prepare the reporting; Groups/undertakings with total balance sheet of more than EUR 6 bn shall be included as soon as the threshold has been exceeded for two consecutive years (with the same six months notice period).

3.5. Following the same approach, groups/undertakings shall immediately drop out of the sample if the total balance sheet amounts to less than EUR 5 bn (current threshold minus EUR 1 bn), according to EIOPA's analysis. Further, groups/undertakings shall be deleted from the sample if their total balance sheet is less than EUR 6 bn for two consecutive years.

EIOPA shall inform NSAs on an annual basis about the results of its analysis.

#### **Content of templates**

3.6. Undertakings and groups shall submit the information as set out in the attached Excel templates on quantitative reporting, and shall complete each data item based on the guidance provided in the LOG file.

#### **Timelines and reporting frequency**

3.7. Undertakings and groups shall submit this Financial Stability information, as defined in tab 'FS-1' and with the frequency set out in tab 'Overview FS Needs', column E, to the Competent Authority with the same deadlines applying to solo undertakings for other supervisory reporting requirements, as to Competent Authority regulated in the delegated act.

## 4.Explanatory text

### Applicability of templates

Undertakings and groups with total balance sheet in excess of EUR 6 bn shall submit the information contained in the quantitative reporting template for financial stability, with the described frequency, as set out in the Technical Annex.

- 4.1. Solo insurance undertakings and groups beyond the EUR 6 bn balance sheet total threshold shall submit the same information, on the highest possible level of consolidation, for financial stability purposes. Any solo undertaking being member of a group which reports for financial stability analysis purposes in a consolidated manner (therefore including this very solo undertaking), shall not report (i.e. no double reporting from both a group and a solo undertaking).
- 4.2. For phasing in and out due the EUR 6 bn threshold the 6 months notice is a minimum. As the principle shall be transparent, candidates will have more time to prepare.

### Content of templates

Undertakings and groups shall submit the information as set out in the attached Excel template on quantitative reporting, and shall complete each data item based on the guidance provided in the LOG file.

- 4.3. Only the information specifically marked for Financial Stability purposes is to be submitted. It should be understood that only a small subset of the overall reporting template is mirrored into the Financial Stability Analysis. It is therefore clearly set out in the 'FS-1' tab what dataset this is, and to what extent it is based on Solvency-II-reporting requirements.

### Timelines and reporting frequency

Undertakings and groups shall submit this Financial Stability information, as defined in tab 'FS-1' and with the frequency set out in tab 'Overview FS Needs', column E, with the same deadlines applying to solo undertakings for other supervisory reporting requirements, as regulated in the delegated act.

Data are to be submitted according to the frequency set out in 'Overview FS Needs', column E, including for the fourth quarter, where the deadline for submission differs from that of annual templates. The (best effort) principles pertaining to such quarterly reporting apply throughout Q1 to Q4 reporting, whereas a final year-end Financial Stability reporting subject to the same database and quality standards as applicable to other supervisory reporting



on annual frequency.

- 4.4. Notwithstanding the deadlines for other supervisory reporting, according to the deadline that follows of reporting according to article 35 and 254(2), the deadline for financial stability add-on reporting are following the deadlines set for solo undertakings. This includes any transitional measures.
- 4.5. It is envisaged that the collected information shall be forwarded by NSAs to EIOPA for performing its duties in Financial Stability Monitoring at European level.

## 5. Technical Annex: Overview on templates, applicability and frequency

**QFS**= applicable Quarterly financial stability information:

**AFS**= applicable Annual financial stability information

**R** means that red and yellow marked part of the template is applicable (i.e. other marked colours are not applicable)

For information only from EIOPA-CP-11/009 (i.e. not part of this consultation):

**S**= applicable annually for solo undertakings

**G** = applicable annually for groups

**QS** = applicable quarterly for solo undertakings

**QG** = applicable quarterly for groups

**DS** = publicly disclosed templates (annually), for solo undertakings

**DG** = publicly disclosed templates (annually), for groups

**RFF** = applicable annually to each material ring-fenced fund, for solo undertakings

**X** means that the template is applicable

**E** means that the template is applicable with possible exemptions

Template	Content	S	G	QS	QG	DS	DG	RFF	QFS	AFS
FS - 01	Financial stability specific items								R	R
BS - C1	Balance sheet	X	X	E	E	X	X	X		
BS - C1B	Off-balance sheet items	X	X							
BS - C1D	Assets and liabilities by currency	X	X							
Country - K1	Activity by country	X								
Cover - A1A	Premiums, claims & expenses - Annual	X	X							
Cover - A1Q	Premiums, claims & expenses - Quarterly			X	X	X	X		R	
OF - B1A	Own funds - Annual	X	X					X		
OF - B1Q	Own funds - Quarterly			X	X	X	X		R	
VA - C2A	Summary analysis of changes in BOF	X								
VA - C2B	Analysis of changes in BOF due to investments	X								
VA - C2C	Analysis of changes in BOF due to technical provisions	X								
VA - C2D	Analysis of changes in BOF due to own debt and other items	X								
SCR - B2A	Solvency capital requirement (for undertaking on standard formula or partial internal model)	X	X			X	X	X	R	
SCR - B2B	Solvency capital requirement									

Template	Content	S	G	QS	QG	DS	DG	RFF	QFS	AFS
	(for undertakings on partial internal models) <sup>2</sup>									
SCR - B2C	Solvency capital requirement (for undertaking on full internal models) <sup>3</sup>								R	
SCR - B3A	Solvency capital requirement - market risk	X	X					X		
SCR - B3B	Solvency capital requirement - counterparty default risk	X	X					X		
SCR - B3C	Solvency capital requirement - life underwriting risk	X	X					X		
SCR - B3D	Solvency capital requirement - health underwriting risk	X	X					X		
SCR - B3E	Solvency capital requirement - non-life underwriting risk	X	X					X		
SCR - B3F	Solvency capital requirement - non-life catastrophe risk	X	X					X		
SCR - B3G	Solvency capital requirement - operational risk	X	X					X		
MCR - B4A	Minimum capital requirement (except for composite undertakings)	X		X		X			R	
MCR - B4B	Minimum capital requirement (for composite undertakings)								R	
Assets - D1	Investments Data - Portfolio list (detailed list of investments) – Annual	X	X							
Assets - D1Q	Investments Data – Quarterly (Portfolio list or Quarterly summary)			X	X				R	
Assets - D1S	Structured products Data - Portfolio list	X	X							
Assets - D20	Derivatives data - open positions	X	X	E	E				R	
Assets - D2T	Derivatives data - historical derivatives trades	X	X	E	E					
Assets - D3	Return on investment assets (by asset category)	X	X						R	
Assets - D4	Investment funds (look-through approach)	X	X	E	E				R	
Assets - D5	Securities lending and repos	X	X						R	
Assets - D6	Assets held as collateral	X	X							
TP (L) - F1	Life and Health SLT Technical Provisions – Annual	X						X		
TP (L) - F1Q	Life and Health SLT Technical Provisions – Quarterly			X		X			R	
TP (L) - F2	Projection of future cash flows (Best Estimate - Life)	X								
TP (L) - F3	Life obligations analysis	X							R	
TP (L) - F3A	Only for Variable Annuities - Description of guarantees by product	X								
TP (L) - F3B	Only for Variable Annuities -	X								

<sup>2</sup> Where the calculation of the SCR is undertaken using a partial internal model, in which case both SCR-B2A and SCR-B2B shall be required.

<sup>3</sup> Where the calculation of the SCR is entirely undertaken using an approved internal model.

<b>Template</b>	<b>Content</b>	<b>S</b>	<b>G</b>	<b>QS</b>	<b>QG</b>	<b>DS</b>	<b>DG</b>	<b>RFF</b>	<b>QFS</b>	<b>AFS</b>
	Hedging of guarantees									
TP (L) - F4	Information on annuities stemming from Non-Life insurance obligations	X								
TP (NL) - E1	Non-Life Technical Provisions - Annual	X						X		
TP (NL) - E1Q	Non-Life Technical Provisions - Quarterly			X		X			R	
TP (NL) - E2	Projection of future cash flows (Best Estimate - Non-life)	X								
TP (NL) - E3	Non-life Insurance Claims Information	X								
TP (NL) - E4	Movements of RBNS claims	X								
TP (NL) - E6	Loss distribution profile non-life	X								
TP (NL) - E7A	Underwriting risks (peak risks)	X								
TP (NL) - E7B	Underwriting risks (mass risks)	X								
Re - J1	Facultative covers non-life & life	X								
Re - J2	Outgoing Reinsurance Program in the next reporting year	X		E					R	
Re - J3	Share of reinsurers	X	X						R	
Re - SPV	Special Purpose Insurance Vehicles	X	X							
<b>Group-specific templates</b>										
G01	Entities in the scope of the group		X				X			
G03	(Re)insurance Solo requirements		X							
G04	Non-(re)insurance Solo requirements		X							
G14	Contribution to group TP		X							
G20	Contribution to group SCR with D&A		X							
IGT1	IGT - Equity-type transactions, debt and asset transfer		X							
IGT2	IGT - Derivatives		X							
IGT3	IGT - Internal reinsurance		X							
IGT4	IGT - Cost sharing, contingent liabilities, off BS items and other IGT		X							
RC	Risk concentration - general		X				X			

## 6. Impact Assessment annex

### 1: Procedural issues and consultation of interested parties

- 6.1 Having regard to art. 10 of the EIOPA regulation<sup>4</sup>, before submitting regulatory technical standards to the European Commission, EIOPA shall conduct open public consultations on draft regulatory technical standards and analyse the potential related costs and benefits.
- 6.2 This Consultation Paper is a working document of EIOPA, for the purpose of receiving Stakeholders' views on the requirements proposed and their impact on the Stakeholders. It does not purport to represent or pre-judge the views of the EIOPA and/ or the formal proposals of the EIOPA, regarding the matters covered in this consultation paper, which are expected to be submitted to the European Commission for their endorsement.
- 6.3 The discussions on the framework for Solvency II were concluded two years ago and were adopted in the Solvency II Directive<sup>5</sup>. The development of the Solvency II Directive was subject to lengthy consultation and a thorough impact assessment, which concluded that the EU should adopt an economic risk-based approach to the supervision of insurance and reinsurance undertakings and insurance and reinsurance groups.
- 6.4 Solvency II follows the "Lamfalussy" approach, which means that the requirements of EU prudential framework can be found at three hierarchical levels. The Solvency II Directive (level 1) identifies a number of areas where the European Commission is developing implementing measures (level 2) to provide further technical detail to elaborate the level 1 principles.
- 6.5 Even if level 2 implementing measures developed by the European Commission are not published yet, EIOPA decided to start public consultation of the reporting package (EIOPA-CP-11/009), to give the undertakings and national supervisory authorities more time for the implementation of the new reporting requirements. This Consultation Paper EIOPA-CP-11/011 supplements consultation EIOPA-CP-11/009.

### 2: Problem definition

- 6.6 In order to address the weaknesses of the current EU regime, Member States have introduced reporting requirements at national level that have resulted in widely diverging regulatory requirements and supervisory practices throughout the EU. The resulting lack of harmonisation undermines the proper functioning of the Single Market and imposes significant costs on insurance groups operating in more than one Member State and does not ensure a level playing field for all European undertakings.

<sup>4</sup> REGULATION (EU) No 1094/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC

<sup>5</sup> DIRECTIVE 2009/138/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), published in the Official Journal on 17 December 2009

6.7 In pursuit of the tasks mandated to EIOPA in the area of Financial Stability, a reporting framework needs to be set up which feeds into the regular Financial Stability Monitoring and Reporting work of EIOPA. Further, ad hoc reporting is both costly and slow and also implies the risk of not having a convergent reporting. This might impair any policy decisions taken when addressing financial stability issues, hence standardised regular reporting covering potential areas of future ad-hoc information needs is indispensable.

### **Baseline**

6.8 EIOPA has considered the potential related costs and benefits from the proposed reporting requirements against the baseline, which is the current practice for reporting purposes applied by national supervisory authorities.

6.9 The assessment of the potential related costs and benefits from the draft technical standards developed by EIOPA uses, as a starting point, previous and current impact assessments undertaken by the European Commission.

6.10 The reporting requirements under Solvency II have already been assessed in terms of impact on the stakeholders in the Impact Assessment process on possible macroeconomic and financial effects of Solvency II (DG ECFIN/C-4(2007) REP 53199) from March 2007:

[http://ec.europa.eu/internal\\_market/insurance/docs/solvency/impactassess/annex-c06\\_en.pdf](http://ec.europa.eu/internal_market/insurance/docs/solvency/impactassess/annex-c06_en.pdf)

6.11 Following the level 1 impact assessment, level 2 reporting requirements have been assessed for impact on stakeholders in an External Study by Deloitte for the Impact Assessment of Solvency II (Level 2) from 2 March 2010:

[http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Documents/Industries/Financial%20Services/EU\\_FS\\_ExternalStudyofSIILevel2.pdf](http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Documents/Industries/Financial%20Services/EU_FS_ExternalStudyofSIILevel2.pdf)

6.12 With regard to the analysis of the impact for Level 2 implementing measures, the European Commission has collected at the beginning of 2011 additional evidence for its impact assessment:

[http://ec.europa.eu/internal\\_market/consultations/2010/solvency-2\\_en.htm](http://ec.europa.eu/internal_market/consultations/2010/solvency-2_en.htm)

### **3: Objective pursued**

6.13 Beyond the four general objectives of this project to deepen the integration of the EU insurance market, enhance the protection of policyholders and beneficiaries, improve the competitiveness of EU insurers and reinsurers and promote better regulation, the main objectives of this supplement to consultation EIOPA-CP-11/009 are to monitor market developments and foster a sound basis for financial stability.

6.14 Consequently, when assessing the merits of the various policy options and approaches, the aim is to deliver a system that addresses the weaknesses of the current regime, in particular with respect to removing obstacles to the

proper functioning of the single market and the need to develop a monitoring system for financial stability purposes.

- 6.15 Going further to operational objectives, the new requirements should ensure that all quantitative and qualitative regulatory requirements imposed on insurers are proportionate to the nature, scale and complexity of the insurer and its operations. Therefore the proposed policy requirements introduce proportionate requirements by excluding small and medium sized insurers.
- 6.16 Supervisory reporting requirements vary widely across Member States. These differing requirements impose unnecessary costs on the undertakings and does not provide level playing field. Therefore new requirements should harmonise and streamline supervisory reporting requirements. As one of the operational objectives is to promote compatibility of valuation and reporting rules with the International accounting standards elaborated by the IASB, the new requirements should ensure that valuation rules, supervisory reporting and public disclosure requirements are compatible with the International accounting standards elaborated by the IASB. Insurance undertakings are not being required to make full use of IAS/IFRS, however certain prudential valuation rules, as well as reporting and disclosure rules are similar to IAS/IFRS rules.

#### **4: Policy options and analysis of impacts**

- 6.17 For the purpose of the Solvency II project policy-makers have already considered, analysed and compared a number of policy options. Based on the impact assessment already done for the requirements set in the directive as well as in the currently consulted EIOPA impact assessment for the reporting package, EIOPA has considered the following policy options referring to the concrete solutions set out in technical standards and guidelines and recommendations. In this section EIOPA would like to show the policy alternatives which were considered, the preferred policy options that have been analysed, as well as the discarded options.
- 6.18 In the analysis of the impact undertaken, the principle of proportionality was always taken into account as the European Community action should not go beyond what is necessary to achieve satisfactorily the objectives which have been set. With regard to SMEs, due to their size and scarce resources, they can be affected by the costs of regulations more than their bigger competitors. At the same time, the benefits of regulations tend to be more evenly distributed over companies of different sizes. SMEs may have limited scope for benefiting from economies of scale. SMEs, in general, find it more difficult to access capital and as a result the cost of capital for them is often higher than for larger businesses. Therefore, the principle of proportionality was always taken into account while considering different policy options.
- 6.19 The analysis was also closely linked to the principle of subsidiarity which state that Community action should be as simple as possible and leave as much scope for national decision as possible, and should respect well established national arrangements and legal systems.
- 6.20 There is agreement on the necessity to inform the financial stability discussion with information on the extent to which the insurance industry is facing

changing regulatory capital requirements for the upcoming period, as opposed to the development of their risk bearing capacity, most prominently represented in the asset base and own funds endowment. Thus, it is considered to use information on the SCR for financial stability purposes in order to assess trends in the total solvency surplus of insurers in the European market. Also, the information on the SCR could be combined with information on the level of eligible capital to obtain solvency coverage ratios of individual undertakings or groups. Such individual coverage ratios could be used as a basis for an assessment of the solvency development of insurers in the market as a whole by considering for example the distribution of ratios in the market or the European average. It should be emphasised that the aggregation and presentation of such information shall be performed in a coherent and consistent manner. In particular this applies to the treatment of information on the SCR derived from standard formula users as compared to internal model users.

#### *How to perform a quarterly SCR calculation?*

- 6.21 Option 1: A full SCR calculation performed on a quarterly basis shall be performed to inform the financial stability monitoring on the development of the industry's SCR?
- 6.22 Option 2: A simplified SCR calculation shall be defined to indicate the approximate value of SCR by only updating the most volatile parts of SCR on a quarterly basis (e.g. market risk module), based on the following considerations:
- 6.23 It can be expected that the level of capital requirements and, consequently, of SCR coverage ratios, will be subject to a significant degree of volatility. Therefore, for financial stability purposes it is proposed to collect information on the SCR on a quarterly basis.
- 6.24 However, it is acknowledged that a full calculation of the SCR on a quarterly basis may be an unnecessary burden for the concerned institutions. To address this issue, EIOPA considers that appropriate justice needs to be done to the competing interests of statutory SCR calculations (used for supervisory purposes) and the stability-induced information needs. It is to be understood that the indications received through financial stability reporting would not be a direct trigger for supervisory action, but shall be taken for what they are: an indicator for developments which may warrant further macro- and micro-supervisory investigations. These caveats accounted for it is in particular the market risk module that requires a more frequent recalculation due to its more volatile input parameters, namely investment exposures. Other SCR modules are considered stable enough to accept an extrapolation of yearly figures, unless exceptional circumstances clearly necessitate a recalculation (which would be warranted in such a situation anyway according to the solvency framework).
- 6.25 Hence overall the intention would be to approximate the development of the overall SCR of the affected entities in the market based on a re-calculation of more volatile SCR modules, rather than requiring a full SCR calculation. These approximations should serve as an overall indicator which would be focused on



monitoring changes in the level of the SCR (and related coverage ratios) from a macro-prudential perspective.

- 6.26 Also for internal model users a simplified calculation might be considered in relation to other purposes (i.e. a use test). E.g. in a simplified calculation of the Solvency Capital Requirement, insurers may carry out only a part of the calculations which are usually necessary to determine the Solvency Capital Requirement. For the remaining part of the calculations, a reasonable extrapolation of the previous calculations of the Solvency Capital Requirement can be used.
- 6.27 EIOPA considers option 2 would better contribute to the objectives, in particular to the monitoring of the market developments and to the fostering of a sound basis for financial stability.
- 6.28 **Question:** Do you agree on this? If not, do you support the other option or which alternative suggestion meets the objectives?

## 5: Result

- 6.29 The EIOPA Regulation determines financial stability being one of EIOPA's key objectives. This add-on reporting requirement is considered to be an essential source of information for achieving this objective.
- 6.30 Most of the data required for EIOPA's financial stability purposes would need to be reported by insurers on a quarterly basis. Reducing the proposed reporting both with regard to scope, content and frequency could potentially reduce EIOPA's ability to monitor market developments and spotting risks and vulnerabilities to the insurance sector, thereby reducing EIOPA's ability to contribute to financial stability. Achieving this objective will ultimately strengthen the protection of policyholders.

## 7. Questions for the Consultation

- 7.1 The purpose of this public consultation is not to revisit the conclusions drawn in the impact assessment undertaken on the Solvency II Directive or in the consultation of the general supervisory reporting (EIOPA-CP-11/009). Instead, this public consultation aims at having valuable insights, supported by quantitative and qualitative evidence, on the impacts, costs and benefits to support the decision-making process for this reporting requirements. The consultation paper also seeks stakeholders' views on the potential impact of this reporting requirements could have on the pricing, design and availability of insurance products, the corresponding effects for consumers and the wider social or economic impacts even if indirectly. For this reason, we welcome views of consumers, investors and insurers especially on the question below:

**Question 1:** How to perform a quarterly SCR calculation?

**Question 2:** How you consider the feasibility of including a few public accounting profit&loss figures in this reporting?

**Question 3:** How you consider the scope threshold (EUR 6 bn total balance sheet) and the phasing in and phasing out?

**Question 4:** How you consider the additional administrative burden and other relevant aspects of increased quarterly reporting requirements as compared to other reporting requirements?

**Question 5:** What is your preference for regular quarterly reporting and minimizing ad hoc reporting instead of recurrent ad hoc reporting, having regard to the proposed reporting timelines (following ordinary solo reporting timelines)?