

Meeting with IRSG

Draft Technical Standards and Guidelines on Valuation
of Assets and Liabilities other than Technical Provisions

Valuation of assets and liabilities - objective



- Market-consistent valuation of the Solvency II balance sheet
- Reflecting the economic reality in the current market environment
 - Harmonised, consistent valuation
 - Basis for the analysis of the solvency of an insurer

- Transparency
 - o Reflects current market conditions
 - o No buffers or dampeners or hidden reserves
 - o Both sides of the balance sheet are affected by changes in the market conditions
 - o Effect on the overall solvency position as measured by the net asset value

- Transfer value
 - (hypothetical) market transaction
- Fair value measurement
 - according to IFRSs as adopted by the EU
 - Mostly compatible with the transfer value according to Art. 75 of the Solvency II Directive

Tasks of the technical standards and guidelines



- Determine which IFRSs are consistent with the valuation objective in Art. 75
- Develop valuation approach if IFRSs are not consistent
- Guidance on valuation if there are no active markets



Thank you
