Final Report
on
public consultation No. 14/045 on
Guidelines on
reporting for financial stability
purposes

EIOPA-BoS-15/107
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1. Executive summary

Introduction

According to Article 16 of Regulation (EU) No 1094/2010 (hereinafter "EIOPA Regulation") EIOPA shall issue Guidelines addressed to competent authorities or financial institutions.

EIOPA shall, where appropriate, conduct open public consultations and analyse the potential costs and benefits. In addition, EIOPA shall request the opinion of the Insurance and Reinsurance Stakeholder Group (hereinafter "IRSG") referred to in Article 37 of the EIOPA Regulation.

According to Articles 8, 32 and 36 of the EIOPA Regulation, EIOPA requires data in order to carry out its tasks and in particular to monitor and assess market developments and to inform the other European Supervisory Authorities, the European Systemic Risk Board (ESRB) and the European Parliament, the Council and the European Commission about the relevant trends, potential risks and vulnerabilities in its area of competence. In order to ensure the fulfilment of its duties, EIOPA has developed guidelines on reporting for financial stability purposes.

As a result of the above, on 3 December 2014 EIOPA launched a public consultation on the draft Guidelines on reporting for financial stability purposes. The Consultation Paper is also published on EIOPA's website.

These Guidelines are addressed to competent authorities to:

- provide guidance on how to collect the data which EIOPA will request according to Article 35 of the EIOPA Regulation;
- ensure a consistent and uniform approach on the collection of data for financial stability purposes.

Content

This Final Report includes the feedback statement to the consultation paper (EIOPA-CP-14/045) and the full package of the public consultation, including:

Annex I: Guidelines
Annex II: Impact Assessment
Annex III: Resolution of comments

1 Consultation Paper
Next steps

In accordance with Article 16 of the EIOPA Regulation, within 2 months of the issuance of these Guidelines, each competent authority shall confirm if it complies or intends to comply with these Guidelines. In the event that a competent authority does not comply or does not intend to comply, it shall inform EIOPA, stating the reasons for non-compliance.

EIOPA will publish the fact that a competent authority does not comply or does not intend to comply with these Guidelines. The reasons for non-compliance may also be decided on a case-by-case basis to be published by EIOPA. The competent authority will receive advanced notice of such publication.

EIOPA will, in its annual report, inform the European Parliament, the Council and the European Commission of the Guidelines issued, stating which competent authority has not complied with them, and outlining how EIOPA intends to ensure that concerned competent authorities follow its Guidelines in the future.
2. Feedback statement

Introduction

EIOPA would like to thank the IRSG and all the participants to the public consultation for their comments on the draft Guidelines. The responses received have provided important feedback to EIOPA in preparing a final version of these Guidelines. All of the comments made were given careful consideration by EIOPA. A summary of the main comments received and EIOPA’s response to them can be found in the sections below. The full list of all the comments provided and EIOPA’s responses to them is published on EIOPA’s website.

General comments

While EIOPA considers that a certain set of Financial Stability reporting is necessary in order to ensure its ability to carry out its tasks according to the EIOPA Regulation and to continue to produce high-quality, relevant and timely analysis, EIOPA has carefully considered the issues raised by stakeholders during the consultation.

EIOPA has therefore put substantial effort into streamlining the financial stability reporting. This effort has been guided by dialogue with the industry and national competent authorities with the aim of reducing the burden on companies and the operational complexity related to the beginning of Solvency II reporting, while still maintaining EIOPA’s ability to carry out its tasks.

Below is a summary of the main concerns raised by stakeholders, and EIOPA’s response to the individual concerns. However, in order to assess the overall impact of the revision of the reporting package, all the elements (i.e. the increased deadline, the reduction of reporting requirements and the discontinuation of the national market share requirement) need to be considered together.

General comment: Overall reporting burden too large

a. Several stakeholders considered the reporting requirements too extensive, especially for groups and in consideration of the shorter deadlines than for prudential reporting.

b. Following the comments from stakeholders, EIOPA has carefully considered the requirements and is bringing forward a substantially revised and streamlined reporting package for Financial Stability (FS) reporting.

In particular, EIOPA will substitute the templates identified as the most complicated by an aggregate balance sheet template taken from prudential reporting. In detail, this means that EIOPA will no longer request the following templates for reporting for FS purposes:

- Derivatives data: open positions
- Return on investment assets (by asset category)
- Investment funds (look-through approach)
• Securities lending and repos
• FS-specific reinsurance information

As all of the above mentioned templates will be replaced by a standardised balance sheet template from the prudential reporting package, EIOPA considers the revised package to include a suitable streamlining of the reporting package with a balance reached between EIOPA’s needs and the concern of the stakeholders.

2.1. General comment: Timelines

a. Many stakeholders considered that the foreseen timelines for group reporting were too short (6 weeks after transition, 9 weeks in 2016), especially for items which were annual in prudential reporting. These timelines will also impact smaller solo companies belonging to a group as they have to prepare data for the following group consolidation.

b. EIOPA understands this concern and has considered the timelines to identify areas where they may be changed without jeopardising the production of EIOPA’s own products. Overall, EIOPA has been able to extend the final deadlines with one week compared to the consulted proposal, meaning a target deadline of 7 weeks after transition. This increase of one week will also be applied during the transition, leading to deadlines of 10, 9 and 8 weeks for submitting quarterly, semi-annual or annual information related to the years 2016, 2017 and 2018 respectively...

While several stakeholders requested even longer deadlines, EIOPA believes that this increase in deadlines together with the substantial streamlining of the reporting package (as described in 2.1) will ensure a reasonable balance between industry concern and EIOPA’s data needs.

2.2. General comment: Reporting burden for smaller entities and uncertainty about the market share requirement and reliance on prudential reporting

a. Some stakeholders identified as a concern potential reporting by smaller entities stemming from the market share requirement and some uncertainty around the application of the requirement. Stakeholders also requested that EIOPA increases reliance on prudential reporting.

b. In its initial impact assessment, EIOPA also acknowledged that the proposed market share requirement could impact smaller entities in countries where the market share requirement would not be fulfilled by reporting from the largest insurers. Following the streamlining of the reporting package and increased reliance on prudential reporting, EIOPA has reconsidered the application of the market share requirement with a view to reduce overall reporting burden and operational complexity and will therefore not employ a market share requirement for reporting from undertakings.
General nature of participants to the Public Consultation

EIOPA received comments from the IRSG and fourteen responses from other stakeholders to the public consultation. All non-confidential comments received have been published on EIOPA’s website.

Respondents can be classified into four main categories: European trade, insurance, or actuarial associations; national insurance or actuarial associations; (re)insurance groups or undertakings; and other parties such as consultants and lawyers.

IRSG opinion

The particular comments from the IRSG on the Guidelines at hand can be consulted on EIOPA’s website. The IRSG commented in particular on the reporting timelines (they were seen as very challenging), requesting an alignment with prudential reporting and a phase-in of financial stability reporting so that the first reporting would take place in 2017. Moreover, IRSG requested that where reports are identical between financial stability reporting and the existing QRTs, the financial stability reports should simply refer to the relevant prudential templates, and noted that there should be greater use of the existing Solvency II QRT package.

While a full alignment with the prudential reporting timelines was not considered feasible, EIOPA did revise the timelines to allow one more week for the preparation of the reports. Together with the substantial streamlining of the reporting package this should meet the concern at least to a certain extent. EIOPA also considered that the prolongation of the deadlines to 10 weeks in 2016 would be preferable to a complete phase-in, as EIOPA will require the financial stability data also in 2016 to perform its tasks. However, EIOPA agrees with the IRSG that more extensive use should be made of the prudential templates. EIOPA is therefore proposing a streamlining of the reporting for FS purposes and will to a larger degree rely on prudential reporting (arriving later) wherever possible. EIOPA will also employ the regular Solvency II QRT template for balance sheet information, and refer to existing QRTs when they are identical to FS reporting templates.

Comments on the Impact Assessment

The impact assessment provided in Annex II is largely based on the impact assessment included in the consultation package, but has been updated reflecting the changes carried out following the consultation.

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2 IRSG opinion
3. Annexes
Annex I: Guidelines

Guidelines on reporting for financial stability purposes

1. Introduction

1.1. According to Article 16 of Regulation (EU) No 1094/2010 of the European Parliament and of the Council (hereafter EIOPA Regulation), EIOPA is issuing these Guidelines which cover reporting to national supervisory authorities for financial stability purposes.

1.2. The Guidelines apply to individual insurance and reinsurance undertakings, insurance third country branches and participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies.

1.3. EIOPA is issuing these Guidelines to ensure a consistent and uniform approach on the collection of data for financial stability purposes and to provide guidance to national supervisory authorities on how to collect the data which EIOPA will request according to Article 35 of EIOPA Regulation.

1.4. EIOPA requires the data described in these Guidelines in order to carry out its tasks according to Article 8, 32 and 36 of EIOPA Regulation. In particular, the collected data will enable EIOPA to monitor and assess market developments and allow EIOPA to inform the other European Supervisory Authorities, the European Systemic Risk Board (ESRB) and the European Parliament, the Council and the Commission about the relevant trends, potential risks and vulnerabilities in its area of competence. It will also enable EIOPA to provide the ESRB with regular and timely information necessary for the achievement of its tasks.

1.5. For insurance and reinsurance groups most of the information requested for financial stability purposes is also required for supervisory reporting according to Article 254 of Directive 2009/138/EC of the European Parliament and of the Council (hereafter Solvency II Directive). However, the information obtained for financial stability purposes and covered by these Guidelines is requested with earlier deadlines and/or increased frequency. The information will be used for macro prudential analysis.

1.6. According to Article 35, paragraphs 6 and 7 of Solvency II Directive, national supervisory authorities may limit regular quarterly supervisory reporting and exempt certain undertakings from item-by-item reporting where the submission of that information would be overly burdensome in relation to the nature, scale and complexity of the risks inherent in the business of the undertaking.

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Undertakings which are exempted from reporting with higher frequency than annual, and/or exempted from item-by-item reporting under Article 35 of Solvency II Directive should also be exempted from semi-annual, quarterly and/or item-by-item reporting as set out in Guideline 2 point 1.19. It is noted, however, that Article 35 of Solvency II Directive only permits exemptions for undertakings until a maximum of 20% of the Member State's life and non-life insurance and reinsurance markets respectively. Moreover, the article requires national supervisory authorities to prioritise the smallest undertakings. Finally, the exemption should not undermine the stability of the financial systems concerned in the European Union.

1.7. National supervisory authorities may, where the reporting currency is different than EUR, adopt measures to deal with the implications of exchange rate fluctuations when applying the criteria to identify reporting entities, as long as the effects on the thresholds defined in Guidelines 2, 4 and 5 are not material.

1.8. The best-effort principle established in Guideline 7 and Guideline 8 is intended to aid insurance and reinsurance undertakings, insurance third country branches and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies in providing the level of accuracy deemed sufficient for macro prudential purposes, while balancing the work required by the undertakings to submit this information, and to provide some legal certainty to undertakings of its content.

1.9. Quarterly information on the solvency capital position of undertakings is considered crucial for financial stability purposes. However, it is acknowledged that a full calculation of the Solvency Capital Requirement (SCR) on a quarterly basis may be an unnecessary burden for the concerned institutions. Therefore, the aim of these Guidelines is to approximate the development of the overall SCR based on a re-calculation of only the more volatile SCR modules, rather than requiring a full SCR calculation. The method is detailed in Guideline 9. In particular the market risk module may require a more frequent recalculation due to its more volatile input parameters. Other SCR modules are considered stable enough to accept an extrapolation of yearly figures, unless exceptional circumstances necessitate a recalculation according to the Solvency II Directive.

1.10. The deadline for submission of information described in these Guidelines is 2 weeks after the individual deadline for quarterly reporting under Article 35 of Solvency II Directive as described in Guideline 16.

1.11. These Guidelines make reference to the following Annexes from the Implementing Technical Standard on Submission of Information:
   a) Annex IV: Asset categories;
   b) Annex V: CIC table
   c) Annex VI: Definitions of the CIC table.

1.12. These Guidelines are addressed to national supervisory authorities.

1.13. These Guidelines shall apply from 1 January 2016.
Section I: Reporting by individual insurance and reinsurance undertakings and groups to national supervisory authorities for the purpose of financial stability

Guideline 1 – General provisions

1.14. Individual insurance and reinsurance undertakings and insurance third country branches which are required to report according to these Guidelines should report individual data.

1.15. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies which are required to report according to these Guidelines should report consolidated data.

1.16. Individual insurance and reinsurance undertakings which belong to insurance or reinsurance group that is reporting according to these Guidelines should not report individually.

1.17. If the individual insurance and reinsurance undertakings belongs to insurance or reinsurance group and its ultimate parent is a mixed-activity insurance holding company and where they are not part of a group as defined under Article 213(2)(a), (b) and (c) of Solvency II Directive then paragraph 1.14 for the individual reporting applies.

Guideline 2 – General criteria to identify reporting entities

1.18. The criteria to identify the reporting entities are as follows:

   a) Insurance or reinsurance groups with more than EUR 12 bn in total assets or the equivalent in the national currency in the Solvency II balance sheet;

   b) Individual insurance and reinsurance undertakings and insurance third country branches with more than EUR 12 bn in total assets or the equivalent in the national currency in the Solvency II balance sheet and that do not belong to a group which is reporting under previous subparagraph;

1.19. In cases where method 2 as defined in Article 233 of the Solvency II Directive is used, either exclusively or in combination with method 1 as defined in Article 230 for the calculation of the SCR, national supervisory authorities should assess the threshold defined under paragraph 1.18 a) considering the total assets of the group including the solvency II balance and the assets of undertakings for which method 2 was employed.

1.20. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches which have been granted limited supervisory reporting by the national supervisory authority on the basis of Article 35, paragraphs 6 or 7 of Solvency II, are not required to report according to Guideline 11 and Guideline 12 for insurance and reinsurance.
groups and to Guideline 14, and Guideline 15, for insurance and reinsurance undertakings and insurance third country branches.

**Guideline 3 – Currency**

1.21. All data points with the data type 'monetary' should be reported in the reporting currency, as defined in Article 1 of the Implementing Technical Standard on Submission of Information, which requires the conversion of any other currency into the reporting currency.

1.22. When expressing the value of any asset or liability denominated in a currency other than the reporting currency, the value should be converted in the reporting currency as if the conversion had taken place at the closing rate on the last day for which the appropriate rate is available in the reporting period to which the asset or liability relates.

1.23. When expressing the value of any income or expense, the value should be converted in the reporting currency using such basis of conversion as used for accounting purposes.

1.24. The conversion into the reporting currency should be calculated by applying the exchange rate from the same source as used for the insurance or reinsurance undertaking’s financial statements in case of individual reporting or for the consolidated financial statements in case of group reporting unless otherwise required by the supervisory authority.

**Guideline 4 – Inclusion in the sample following the size threshold**

1.25. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches that were not within the scope of Guideline 2 but that at the end of a financial year reports total assets in the Solvency II balance sheet of more than EUR 13 bn or the equivalent in the national currency should submit to the national supervisory authority the set of quantitative information identified in Guideline 10, Guideline 11, and Guideline 12 for insurance and reinsurance groups and in Guideline 13, Guideline 14, and Guideline 15, for insurance and reinsurance undertakings and insurance third country branches starting in the third quarter of the following financial year.

1.26. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches that were not within the scope of Guideline 2 but that at the end of two consecutive financial years report total assets in the Solvency II balance sheet of between EUR 12 bn and EUR 13 bn or the equivalent in the national currency should submit to the national supervisory authority the set of quantitative information identified in Guideline 10, Guideline 11, and Guideline 12 for insurance and reinsurance groups and in Guideline 13, Guideline 14, and Guideline 15, for insurance and reinsurance undertakings and insurance third country branches starting in the third quarter of the following financial year.
reinsurance undertakings and insurance third country branches starting in the third quarter in the year following the second financial year.

**Guideline 5 – Exclusion from the sample following the size threshold**

1.27. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches that are within the scope of **Guideline 2** but that, at the end of a financial year, report total assets in the Solvency II balance sheet of less than EUR 11 bn or the equivalent in the national currency, should no longer submit to the national supervisory authority the set of quantitative information identified in **Guideline 10, Guideline 11, and Guideline 12** for insurance and reinsurance groups and in **Guideline 13, Guideline 14, and Guideline 15** for insurance and reinsurance undertakings and insurance third country branches starting from the first quarter of the following financial year.

1.28. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches that are within the scope of **Guideline 2**, but that, at the end of two consecutive financial years, report total assets in the Solvency II balance sheet of between EUR 11 bn and EUR 12 bn or the equivalent in the national currency, should no longer submit to the national supervisory authority the set of quantitative information identified in **Guideline 10, Guideline 11, and Guideline 12** for insurance and reinsurance groups and in **Guideline 13, Guideline 14, and Guideline 15** for insurance and reinsurance undertakings and insurance third country branches starting from the first quarter of the year following the second financial year.

**Guideline 6 - Notification by national supervisory authorities to EIOPA**

1.29. National supervisory authorities should annually report to EIOPA the legal name, the identification code used in the local market, attributed by the undertaking's competent supervisory authority and, where available, the Legal Entity Identifier (LEI) of the insurance and reinsurance undertakings, groups and insurance third country branches which will report in accordance with the EUR 12 bn threshold given in **Guideline 2**, paragraph 1.18, a) or b) within three weeks of the receipt of the end-of-year data submitted by insurance and reinsurance undertakings, insurance third country branches and groups under the regular reporting according to Solvency II Directive.

**Guideline 7 - Best effort: Preparation of data**

1.30. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies should report the information defined in **Guideline 10, Guideline 11, and Guideline 12** on a best effort basis, balancing the effort required with the accuracy of the information provided, in line with paragraphs 1.32, 1.33 and 1.34 below.
1.31. Insurance and reinsurance undertakings and insurance third country branches should report the information defined in Guideline 13, Guideline 14, and Guideline 15 on a best effort basis, balancing the effort required with the accuracy of the information provided, in line with points 1.32, 1.33 and 1.34 below.

1.32. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should ensure that the data reported reflect the best assessment of the current financial and operational condition of the entity and are based on the most up-to-date information available to them, taking into consideration that:

a) the information submitted may have undergone less internal quality controls than what is required for regular supervisory reporting;

b) following the principle of materiality, reporting entities should ensure that all material operations are covered by the reporting;

c) simplifications employed in the preparation of data for reporting according to these Guidelines should, to the extent possible, be employed consistently over time, unless changes are introduced to reduce discrepancies described in paragraph 1.34;

d) simplifications which have a material effect on the reported information should be disclosed to the relevant national supervisory authority.

1.33. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should strive to ensure that, to the best of their knowledge, no errors or omissions which would lead to a materially different supervisory assessment of the institution are present in the data.

1.34. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should strive to improve business processes to reduce over time recurring discrepancies between reporting according to these guidelines and regular supervisory reporting on the basis of Solvency II Directive.

**Guideline 8 - Best effort: Use of data by national supervisory authorities**

1.35. National supervisory authorities should acknowledge that the information submitted for financial stability purposes may be subject to changes and may not be identical to regular supervisory reporting according to Solvency II Directive. However, the relevant national supervisory authority may request information on how the reported data was calculated and request updated data if deemed necessary.
Guideline 9 – Quarterly SCR information

1.36. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should ensure that quarterly SCR information provides a good approximation of the true SCR level. The quarterly SCR figures may be updated only with the more volatile elements, while extrapolation of yearly figures is acceptable for other SCR elements, in line with Guideline 7.

1.37. As the market risk elements are expected to be the most volatile, insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should in particular consider to re-calculate the market risk module, or its more volatile components, in order to report the overall SCR on a best effort basis.

1.38. Where approximations and simplifications are employed, insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should ensure that the data reported reflect a best assessment of the current financial condition of the reporting entity in line with Guideline 7.

1.39. In line with Solvency II Directive, the national supervisory authority may require a full recalculation of the SCR where there is evidence to suggest that the risk profile of the insurance or reinsurance undertaking has altered significantly since the date on which the SCR was last fully recalculated and reported for prudential purposes.

1.40. In cases where the reported information would indicate non-compliance with the SCR or non-compliance with the Minimum Capital Requirement (MCR) as defined in Articles 138 and 139 of Solvency II Directive, the national supervisory authority should acknowledge that, without prejudice to its responsibilities and related powers, the information submitted under these Guidelines may constitute preliminary data subject to revision, in accordance with Guideline 8.

1.41. In cases described under the previous paragraph, the national supervisory authority, without prejudice to its responsibilities and related powers, may request updated and confirmed data.
Section II: Quantitative information

Guideline 10 – Groups’ quantitative annual information

1.42. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies falling within the scope of Guideline 1 and Guideline 2, should submit annually to the national supervisory authority the following information:

a) template S.01.01.12 of Technical Annex A, specifying the content of the submission, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.01 of Technical Annex B;

b) template S.01.02.04 of Annex I of the Implementing Technical Standard on Submission of Information, specifying basic information on the insurance and reinsurance undertaking and the content of the reporting in general, regardless of the method used for the calculation of the group solvency, following the instructions set out in Annex III of the Implementing Technical Standard on Submission of Information;

c) template S.14.01.10 of Technical Annex A, specifying specific information on life obligations analysis, including life insurance contracts and annuities stemming from non-life contracts, by homogeneous risk groups issued by the undertaking, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive, following the instructions set out in S.14.01 of Technical Annex B;

d) template S.38.01.10 of Technical Annex A, specifying information on the duration of the technical provisions, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive, following the instructions set out in S.38.01 of Technical Annex B;

e) template S.40.01.10 of Technical Annex A, specifying information on the profit or loss sharing, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive, following the instructions set out in S.40.01 of Technical Annex B.

Guideline 11 – Groups’ quantitative semi-annual information

1.43. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies falling within the scope of Guideline 1 and Guideline 2, should submit semi-annually to the national supervisory authority the following information:

a) template S.39.01.11 of Technical Annex A, specifying information on the profit and loss, following the instructions set out in S.39.01 of Technical Annex B.
Guideline 12 – Groups’ quantitative quarterly information

1.44. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies falling within the scope of Guideline 1 and Guideline 2 should submit quarterly to the national supervisory authority the following information:

a) template S.01.01.13 of Technical Annex A, specifying the content of the submission, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.01.01 of Technical Annex B;

b) template S.01.02.04 of Annex I of the Implementing Technical Standard on Submission of Information, specifying basic information on the insurance and reinsurance undertaking and the content of the reporting in general, regardless of the method used for the calculation of the group solvency following the instructions set out in Annex III of the Implementing Technical Standard on Submission of Information;

c) template S.02.01.02 of Annex I of the Implementing Technical Standard on Submission of Information, specifying balance sheet information, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive following the instructions set out in Annex III of the Implementing Technical Standard on Submission of Information;

d) template S.05.01.13 of Technical Annex A, specifying information on premiums, claims and expenses, regardless of the method used for the calculation of the group solvency, applying the valuation and recognition principles used in the undertaking's financial statements, following the instructions set out in S.05.01 of Technical Annex B, regarding each line of business as defined in Annex I of the Delegated Regulation (EU) 2015/35.

e) template S.06.02.04 of Annex I of the Implementing Technical Standard on Submission of Information, providing an item-by-item list of assets, regardless of the method used for the calculation of the group solvency following the instructions set out in Annex III of the Implementing Technical Standard on Submission of Information;

f) template S.23.01.13 of Technical Annex A, specifying basic information on own funds, regardless of the method used for the calculation of the group solvency, following the instructions set out in S.23.01 of Technical Annex B including basic own funds and ancillary own funds;

g) template S.25.04.13 of Technical Annex A, specifying basic information on the SCR, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive, following the instructions set out in S.25.04 of Technical Annex B;

Annex III, IV and V referred to in this guideline are technical annexes from the draft Technical Standard on the Templates for the Submission of Information to National Competent Authorities.
h) template S.41.01.11 of Technical Annex A, specifying information on lapses, only when method 1 as defined in Article 230 of Solvency II Directive is used, either exclusively or in combination with method 2 as defined in Article 233 of the Solvency II Directive, following the instructions set out in S.41.01 of Technical Annex B.

**Guideline 13 – Individual quantitative annual information**

1.45. Individual insurance and reinsurance undertakings and insurance third country branches falling within the scope of Guideline 1 and Guideline 2, should submit annually to the national supervisory authority the following information:

a) template S.01.01.10 of Technical Annex A, or template S.01.01.14 of Technical Annex A, in case of branches of third-country insurance undertakings, specifying the content of the submission, following the instructions set out in S.01.01 of Technical Annex B;

b) template S.01.02.01 of Annex I of the Implementing Technical Standard on Submission of Information or template S.01.02.07 of Annex III of the Guidelines on the supervision of branches of third-country insurance undertakings, specifying basic information on the insurance and reinsurance undertaking or on the insurance third country branch and the content of the reporting in general, following the instructions set out in Annex II of the Implementing Technical Standard on Submission of Information or Annex IV of the Guidelines on the supervision of branches of third-country insurance undertakings, respectively;

c) template S.14.01.10 of Technical Annex A, specifying specific information on life obligations analysis, including life insurance contracts and annuities stemming from non-life contracts, by homogeneous risk groups issued by the undertaking, following the instructions set out in S.14.01 of Technical Annex B;

d) template S.38.01.10 of Technical Annex A, specifying information on the duration of the technical provisions, following the instructions set out in S.38.01 of Technical Annex B;

e) template S.40.01.10 of Technical Annex A, specifying information on the profit or loss sharing, following the Instructions set out in S.40.01 of Technical Annex B.

**Guideline 14 – Individual quantitative semi-annual information**

1.46. Individual insurance and reinsurance undertakings and insurance third country branches falling within the scope Guideline 1 and Guideline 2, should submit semi-annually to the national supervisory authority the following information:

a) template S.39.01.11 of Technical Annex A, specifying information on the profit and loss, following the instructions set out in S.39.01 of Technical Annex B.
Guideline 15 – Individual quantitative quarterly information

1.47. Individual insurance and reinsurance undertakings and insurance third country branches falling within the scope of Guideline 1 and Guideline 2 should submit quarterly to the national supervisory authority the following information:

a) template S.01.01.11 of Technical Annex A or template S.01.01.15 of Technical Annex A, in case of branches of third-country insurance undertakings, specifying the content of the submission, following the instructions set out in S.01.01 of Technical Annex B;

b) template S.01.02.01 of Annex I of the Implementing Technical Standard on Submission of Information, specifying basic information on the insurance and reinsurance undertaking and the content of the reporting in general, following the instructions set out in Annex II of the Implementing Technical Standard on Submission of Information;

c) template S.25.04.11 of Technical Annex A, specifying basic information on the SCR, following the instructions set out in S.25.04 of Technical Annex B;

d) template S.41.01.11 of Technical Annex A, specifying information on lapses, following the instructions set out in S.41.01 of Technical Annex B.

Section III: Submission deadlines and other provisions

Guideline 16 – Submission deadlines

1.48. After the transitional period of three years after implementation of Solvency II Directive, insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches should submit the set of quantitative information defined in Guideline 10, Guideline 11, and Guideline 12, for insurance and reinsurance groups and in Guideline 13, Guideline 14, and Guideline 15, for insurance and reinsurance undertakings and insurance third country branches within 7 weeks after the end of the reference period.

1.49. During the transitional period of three years after implementation of Solvency II Directive, the deadline defined in paragraph 1.48 should be extended:

a) by 3 weeks (to 10 weeks) for submitting quarterly, semi-annual or annual information related to the year 2016;

b) by 2 weeks (to 9 weeks) for submitting quarterly, semi-annual or annual information related to the year 2017;

c) by 1 week (to 8 weeks) for submitting quarterly, semi-annual or annual information related to the year 2018.

Guideline 17 – Data plausibility checks

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6 Annex III referred to in this guideline is a technical annex from the draft Technical Standard on the Templates for the Submission of Information to National Competent Authorities.
1.50. National supervisory authorities should evaluate the data received using the data plausibility checks provided in Technical Annex C.

Guideline 18 – Size thresholds for reporting in 2016

1.51. National supervisory authorities should use the total assets in the latest annual information available from the solvency regime previously in place to identify undertakings that should report in the first quarter of 2016 according to Guideline 2, paragraph 1.18 a) and b).

1.52. In cases where information on total assets as set out in paragraph 1.51 is not available or not submitted as part of regulatory returns, national supervisory authorities should consider the consolidated balance sheet in annual group financial statements or use an approximation of total assets considering as a minimum the sum of the total assets of all major insurers or reinsurers belonging to the group.

1.53. National supervisory authorities should notify insurance and reinsurance undertakings, groups and insurance third country branches which are required to report under the size threshold defined in Guideline 2, point 1.18 paragraph a) or b) and the transitional provision in 1.51 within a reasonable time before the first instance of reporting.

Guideline 19 – First reporting instance

1.54. Participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies and insurance third country branches identified according to Guidelines 2 and 18, should start reporting in accordance with these Guidelines with reference to the first quarter of 2016.

Guideline 20 – Means for reporting

1.55. National supervisory authorities should ensure that the quantitative information referred to in Section II is submitted electronically.

Guideline 21 – Supervisory reporting formats

1.56. Insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies should submit the information in the data exchange formats and representations determined by the national supervisory authorities or by the group supervisor and respecting the following specifications:

- a) data points with the data type ‘monetary’ should be expressed in units with no decimals with the exception of template S.06.02 which should be expressed in units with two decimals;

- b) data points with the data type ‘percentage’ should be expressed as per unit with four decimals;

- c) data points with the data type ‘integer’ should be expressed in units with no decimals.
Guideline 22 - RSR – Format of reporting

1.57. Insurance and reinsurance undertakings should consider the data point modelling as published by EIOPA when reporting information included in the quantitative reporting templates.

Compliance and Reporting Rules

1.58. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, Competent Authorities and financial institutions shall make every effort to comply with guidelines and recommendations.

1.59. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.

1.60. Competent authorities shall notify EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.

1.61. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

Final Provision on Reviews

1.62. The present Guidelines shall be subject to a review by EIOPA.
Technical Annexes

Technical Annex A – List of Reporting Items for Financial Stability purposes

The reporting templates are provided in the accompanying Excel file ("Technical Annex A – Reporting templates")


The reporting templates are provided in the accompanying ZIP-file ("Technical Annex B – Reporting LOG files")

Technical Annex C – List of data plausibility tests

The reporting templates are provided in the accompanying Excel file ("Technical Annex C – Data plausibility checks")
Annex II: Impact Assessment

Procedural issues and consultation of interested parties

2.1. According to Article 16 of the EIOPA Regulation, EIOPA conducts analysis of costs and benefits in the policy development process. The analysis of costs and benefits is undertaken according to an Impact Assessment methodology.

2.2. EIOPA is preparing Guidelines for Financial Stability Reporting. The proposed reporting requirements were subject to a public consultation in 2011 (CP11). The feedback received from stakeholders and EIOPA's responses were described in the final report on this consultation.7

2.3. The currently proposed Guidelines for Financial Stability Reporting follow the results of that consultation and its final report.

Problem definition

2.4. The financial crisis in 2007 and 2008 exposed important shortcomings in financial supervision, in particular in relation to the financial system as a whole. Supervisory models lagged behind financial globalisation and the integrated and interconnected reality of European financial markets, in which many financial institutions operate across borders. Before and during the financial crisis, the European Parliament called for a move towards more integrated European supervision in order to ensure a true level playing field at the level of the Union and to reflect the increasing integration of financial markets in the Union.

2.5. The financial and economic crisis illustrated that there are real and serious risks to the stability of the financial system and the functioning of the internal market. Restoring and maintaining a stable and reliable financial system is an absolute prerequisite to preserving trust and coherence in the internal market, and thereby to preserve and improve the conditions for the establishment of a fully integrated and functioning internal market in the field of financial services.

2.6. In order to contribute to the efficiency and orderly functioning of financial markets and to the stability of the financial system, EIOPA is obliged to monitor and assess market developments and to inform the European Supervisory Authorities, the ESRB and the European Parliament, the Council and the Commission about the relevant trends, potential risks and vulnerabilities in its area of competence. EIOPA also supports the ESRB with regular and timely information necessary for the achievement of its tasks.

2.7. In order to discharge these duties effectively, EIOPA needs to have access to standardised, comparable, timely and recurring data from undertakings. The data currently available to EIOPA on a European level is fragmented, often

not comparable over time or across countries and comes with large time lags.

2.8. The foreseen prudential reporting under Solvency II represents a substantial improvement on the current situation. However, the large time lags before group data is available to supervisors will remain (11 weeks after transition), and important data will only be reported annually both by groups and by individual undertakings. Moreover, key performance data such as profit and loss figures are missing from the prudential reporting.

2.9. Against this background, EIOPA considers that future prudential Solvency II reporting is not fully sufficient to enable EIOPA to fulfil all its tasks in relation to financial stability. EIOPA will therefore complement the prudential reporting with a limited reporting scheme which is tailored to financial stability needs. This is required to ensure that timely, frequent and consistent data is available from large undertakings in Europe and from undertakings that are important in national markets.

Baseline Scenario

2.10. When analysing the impact from proposed policies, the Impact Assessment methodology foresees that a baseline scenario is applied as the basis for comparing policy options. This helps to identify the incremental impact of each policy option considered. The aim of the baseline scenario is to explain how the current situation would evolve without additional regulatory intervention.

2.11. The baseline scenario is based on the current situation of EU insurance and reinsurance markets, taking account of the progress towards the implementation of the Solvency II framework achieved at this stage by insurance and reinsurance undertakings and supervisory authorities.

2.12. In particular the baseline includes:


2.13. Although the reporting for prudential purposes will enter into force at the same time as these Guidelines, the latter are fully dependent on the prudential reporting framework and templates and only exists as a complement to those.

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Objective pursued

2.14. The main objective of these Guidelines is to enable EIOPA to contribute to the efficiency and orderly functioning of financial markets and to the stability of the financial system by ensuring that timely, frequent and consistent data is available to EIOPA from large undertakings in Europe and from undertakings that are important in national markets.

2.15. The data will allow EIOPA to efficiently monitor and assess market developments and to inform the European Supervisory Authorities, the ESRB and the European Parliament, the Council and the Commission about the relevant trends, potential risks and vulnerabilities in its area of competence. EIOPA will also use the data to support the ESRB with regular and timely information necessary for the achievement of its tasks.

2.16. A consistent framework for financial stability reporting will reduce the need for ad-hoc data collections. Ad hoc reporting is both costly and slow and would not foster convergence in reporting. This might impair any policy decisions taken when addressing financial stability issues.

2.17. Ad hoc reporting is both costly and slow and would not foster convergence in reporting. This might impair any policy decisions taken when addressing financial stability issues.

Policy Options

2.18. To reach the objective described in the previous section, EIOPA will add a limited set of reporting requirements to the prudential reporting framework under Solvency II. This additional reporting is tailored to financial stability needs and should therefore limit the necessity for future ad-hoc data collection exercises. This data will feed into the regular financial stability monitoring work of EIOPA and should be available earlier than prudential reporting, and with higher frequency to feed into the quarterly products EIOPA prepares.

2.19. Under Article 35 of EIOPA Regulation, EIOPA will therefore issue a decision requesting a set of data from national supervisory authorities on a regular interval and in a standardised format. The details of this data request is set out in these guidelines, which are intended to help national supervisory authorities to comply with the decision and prepare the necessary reporting requirements from undertakings to national authorities.

2.20. This impact assessment presents the different options considered by EIOPA during the development of these Guidelines and the reporting requirements set by EIOPA under Article 35 of the EIOPA Regulation.

Proportionality and the approach to small and medium-sized undertakings – the use of thresholds

2.21. European Community action should not go beyond what is necessary to achieve satisfactorily the objectives which have been set. EIOPA therefore
considers that all quantitative regulatory requirements imposed on insurers should be proportionate to the nature, scale and complexity of the insurer and its operations.

2.22. SMEs in particular, due to their size and scarce resources, can be affected by the costs of regulations more than their bigger competitors. SMEs may have limited scope for benefiting from economies of scale and may find it more difficult to access capital. The proposed policy requirements therefore introduce proportionate requirements by excluding small and medium sized insurers unless they are particularly important in national markets.

2.23. EIOPA is requiring financial stability information mainly from the largest European (re)insurers. In principle, only undertakings with total assets above 12 billion should report for financial stability purposes. However, in some markets, this threshold would result in reporting covering only a very limited - or even zero - share of the market. In such cases, financial stability reporting will be required from additional entities to ensure national market coverage of at least 50 per cent. Policy Option 2 deals with the threshold and the market share coverage specifically.

Related consultations and impact assessments

2.24. For the purpose of the Solvency II project, policy-makers have already considered, analysed and compared a number of policy options. In particular, the Guidelines on Financial Stability Reporting have been subject to one public consultation (CP11) on the scope and contents and the final report of this consultation is available on


The impact assessment which was part of CP11 has been used as input for this report.

2.25. Moreover, 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:


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.

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:
Policy options considered

2.26. In preparations of the Guidelines, EIOPA considered several policy options referring to the concrete content of the Financial Stability Reporting as set out in these Guidelines.

2.27. In particular, three policy issues which were extensively considered in preparation of these Guidelines are presented and discussed below. These three policy issues are:

Policy issue 1: Should EIOPA require additional reporting for financial stability purposes and issue Guidelines to this effect?

Option 1: To rely on prudential reporting and additional ad-hoc reporting;
Option 2: To issue Guidelines for recurring financial stability reporting.

Policy issue 2: How should representativeness and a reasonable national market share be ensured?

Option 1: By requiring reporting from groups and individual undertakings to achieve a certain national market share;
Option 2: By relying on prudential reporting to supplement the dataset in countries with a low national market share for financial stability reporting.

Policy issue 3: How should undertakings perform the quarterly SCR calculation?

Option 1: Full calculation;
Option 2: Update of volatile parts based on general principles.

Analysis of impacts

2.28. This section covers the three main policy issues which were considered during the preparation of the guidelines and the relevant impact on stakeholders, including the industry, policy holders and the supervisory community.

Policy issue 1: Should EIOPA require additional reporting for financial stability purposes and issue Guidelines to this effect?

2.29. Two policy options were considered as a solution to the problem defined in Section 2 of the Impact Assessment and would provide EIOPA with data to carry out its tasks. The first option would be to rely only on prudential reporting, and additional ad-hoc reporting. The other policy option considered was to issue specific Financial Stability Reporting guidelines.
Policy option 1: To rely on prudential reporting and additional ad-hoc reporting

2.30. The foreseen prudential reporting according to Article 35 of the Solvency II (Directive 2009/138/EC) would provide EIOPA and national supervisory authorities with access to an extensive dataset with which a thorough assessment of market conditions would be possible. The problem of non-standardized reporting mentioned in Section 2 of this impact assessment would be partly mitigated.

2.31. However, in addition to the prudential reporting, EIOPA would need to launch additional ad-hoc surveys for certain data items which are not included in the prudential reporting. EIOPA would also need to launch ad-hoc surveys to access information which would only be reported annually whenever updated information is required during the year. Moreover, the prudential deadlines are set too late to enable EIOPA to include certain data in its quarterly assessments, in particular for groups.

2.32. For groups, data included in additional ad-hoc surveys would comprise:

- Key balance sheet data
- Key information on premiums and claims
- Key information on own funds
- Detailed lists of assets on a group-level
- Annual guarantee rates
- Lapses
- Duration of technical provisions
- Profit and loss, and
- Profit and loss sharing
- SCR ratios

2.33. For individual undertakings, data included in additional ad-hoc surveys would comprise:

- Annual guarantee rates
- Lapses
- Duration of technical provisions
- Profit and loss, and
- Profit and loss sharing
- Detailed lists of assets
- SCR ratios
2.34. EIOPA would either need to establish a quarterly reporting scheme (i.e. to keep and extend the current quarterly fast track reporting\textsuperscript{9}) for such data to feed into the quarterly products produced by the authority, or launch recurring ad-hoc surveys.

**Impact on reporting entities**

2.35. The impact on reporting entities of this policy option would stem from the fact that there would be no immediate requirement to prepare and to set up systems supporting the reporting. This would imply less short-term costs for the insurance and reinsurance undertakings that have not yet developed systems to comply with financial stability reporting. For insurance and reinsurance undertakings that already started preparation and have already invested in it, there can be a small reduction of the cost as they do not have to submit reports to national supervisory authorities even if they have the required data and systems.

2.36. At the same time, undertakings would not have full clarity on future reporting requirements as ad-hoc reporting would be expected. This would involve a risk of not being able to comply with such ad-hoc requests and following need to invest in new data extraction tools. Therefore, there would also be less clarity on investment costs.

**Impact on EIOPA and National Supervisory Authorities (NSAs)**

2.37. One impact on National Supervisory Authorities (NSAs) of this policy option would stem from the fact that there would be no immediate requirement to prepare and to set up systems supporting the reporting. However, with less clarity on future reporting requirements, NSAs would find it difficult to determine the scope of necessary infrastructure to support ad-hoc requests.

2.38. The impact on EIOPA of this policy option would stem from the lack of standardized templates, less predictable information sets, less consistent time series and cross sectional data and the lack of a predictable time frame for data required ad-hoc. For group data, EIOPA would only receive data with a very large time lag, unless ad-hoc surveys were employed. In those cases, data would not be available immediately and such ad-hoc surveys are resource intensive. Moreover, recurring ad-hoc surveys run the risk of employing slightly modified templates, definitions or methodology, reducing the time-series properties of the data.

2.39. Moreover, EIOPA would need to prepare separate reporting templates instead of relying on Solvency II templates.

2.40. A benefit to EIOPA of ad-hoc surveys would be the greater flexibility such surveys provide, since templates can be adjusted to target a specific purpose (while the drawback would be less consistent time series information).

\textsuperscript{9} The current quarterly fast track reporting by large European insurers will be phased out with the introduction of Solvency II reporting and reporting for financial stability purposes.
Policy option 2: To issue Guidelines for recurring financial stability reporting

Impact on reporting entities

2.41. By issuing these Guidelines, the reporting requirements would be known to the industry in advance of Solvency II implementation and future reliance on ad-hoc surveys would be reduced.

2.42. Reporting entities would therefore be faced with templates which are known and understood, instead of having to deal with ad-hoc templates with which they may not be equally familiar.

2.43. Insurance and reinsurance undertakings may also benefit from better support from the national supervisory authorities since the templates are known and based on the common Solvency II templates.

2.44. Moreover, the issuance of these Guidelines before data will actually be collected will allow a formal process to be set up within the undertaking and between the undertaking and the national supervisory authority allowing the undertaking to start implementation and prepare its own systems regarding generation, validation and transmission of data.

2.45. However, the recurring reporting requirements will involve some costs, especially for groups which would need to consolidate on a best effort basis data within relatively strict deadlines. Also individual undertakings will have to allocate some resources to produce quarterly figures where such are requested. Costs should however be somewhat limit as systems for extraction of the relevant data items should anyway be in place and in use for Solvency II prudential reporting.

2.46. In particular, group reporting for financial stability purposes would mainly have the following impact on reporting entities:

- Early deadline: Deadline for groups for the items defined to be relevant for financial stability is shorter than the prudential group deadline. It is set to be prudential individual-deadline, plus 1 week for consolidation (i.e. a deadline of 6 weeks after transition period).

- Additional items: FS reporting introduces additional reporting on a limited set of items.

2.47. For individual undertakings (solos), reporting for financial stability purposes would mainly have the following impact:

- Shorter deadlines: For annual items, the individual deadline is 14 weeks, while for the limited number of financial stability items, the deadline is 7 weeks (after transition).

- Additional items: FS reporting introduces additional reporting on a limited set of items.
**Impact on EIOPA and National Supervisory Authorities (NSAs)**

2.48. The impact on National Supervisory Authorities and on EIOPA of this policy option would originate from the fact that NSAs may concentrate efforts in the defined sub-set of information which is closely linked to the Solvency II prudential reporting templates. This means that systems which would anyway need to be developed can be extended to cover financial stability reporting, instead of EIOPA and NSAs needing to prepare separate systems. Moreover, ad-hoc surveys are resource intensive and a formal, recurring reporting process is likely to require fewer resources over time.

2.49. This policy option would allow NSAs and EIOPA to access information from a standardized set of templates, providing EIOPA with a predictable information set which would be consistent over time and across countries and institutions. The information collected would be available from groups in time for EIOPA’s quarterly assessments of market developments, and with a sufficient frequency.

**Impact on policy holders and financial stability**

2.50. Policyholders will in general benefit from better informed insurance and reinsurance undertakings and national supervisory authorities. A financial crisis may involve extraordinary large costs on society, and a sound monitoring framework on a European scale will enable authorities to assess risks and implement countermeasures earlier. In times of crisis, information needs to be available fast. With a financial stability reporting regime in place, data will already be available within the supervisory community and knowledge and experience with the data both in supervisors and at the level of group or individual undertaking allows a more efficient use of the data in a crisis situation. As processes are prepared within undertakings to produce this data, the time needed for any updates in a crisis situation is also dramatically reduced.

2.51. The financial crisis starting in 2007/2008 clearly illustrated how the public may suffer from financial instability. Customers of involved institutions suffered direct losses, but the vast effects of crisis partly due to the high degree of interlinkages between institutions and between institutions and governments also led to enormous indirect effects such as mass unemployment and fiscal contraction. Ensuring financial stability will benefit policyholders as claim-holders on individual institutions, and the public at large as stakeholders in the economic development.

2.52. 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.

2.53. 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.

**Policy issue 2: How should representativeness and a reasonable national market share be ensured?**

2.54. In order to assess and monitor market developments, EIOPA needs data covering at least a majority of the market share in the EU.

2.55. In addition, EIOPA would need to ensure that all countries are represented in the data set, and therefore that a reasonable market share is covered in each country.

2.56. The focal point in this discussion was how to address the burden on smaller insurance and reinsurance undertakings.

2.57. On an EU wide level, the threshold chosen (12 bn) allows EIOPA to assess developments based on market coverage of around 80% measured by total assets (see Table 1).

2.58. The threshold was set at 6 bn before the public consultation (CP11 on reporting for financial stability purposes launched in 2011\(^{10}\)), but was increased to 12 bn following the consultation. Table 1 shows that the effect of this increase was to dramatically reduce the number of reporting entities (to reduce reporting burden), while the overall European market share remained sufficiently high. However, there are only 18 out of 26 countries\(^{11}\), in which reporting from undertakings would cover a market share above 50 per cent (in terms of assets).

2.59. This implies that some companies which may be important in national markets may not be included in the financial stability data set because the market they operate in is relatively small, and 12 bn in assets may not be reached by any domestic company.

### Table 1: Number of reporting entities and expected market share based on replies from 26 countries

<table>
<thead>
<tr>
<th>Threshold (bn. €)</th>
<th>Approx. expected number of reporting groups</th>
<th>Approx. expected number of reporting solos</th>
<th>Weighted market coverage</th>
<th>Countries with at least 50% market coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>96</td>
<td>51</td>
<td>83.3%</td>
<td>20</td>
</tr>
<tr>
<td>8</td>
<td>91</td>
<td>37</td>
<td>81.8%</td>
<td>18</td>
</tr>
<tr>
<td>10</td>
<td>83</td>
<td>31</td>
<td>80.4%</td>
<td>18</td>
</tr>
<tr>
<td>12</td>
<td>76</td>
<td>26</td>
<td>79.1%</td>
<td>18</td>
</tr>
</tbody>
</table>


\(^{11}\) Countries covered were Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Liechtenstein, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and United Kingdom.
2.60. In these cases, EIOPA would require some information about the national markets for financial stability purposes. Policy option 1 would imply that EIOPA requests this data directly from insurers, requiring that NSAs designate groups/undertakings to report to ensure at least a market coverage of 50%. This way, smaller countries where no or few groups or solos would have total assets above EUR 12 bn and where the presence of subsidiaries of foreign groups is limited, would also be represented in the sample for financial stability purposes. Policy option 2 would imply that EIOPA only relies on prudential reporting to supplement FS reporting in these countries.

**Policy option 1: By requiring reporting from groups and individual undertakings to achieve a certain national market share**

2.61. If data for financial stability purposes would be required at the level of groups and individual undertakings, the main principle would be that, in those countries where the groups/undertakings identified through the EUR 12 bn total assets threshold do not account for at least 50% of the total assets in that country, additional institutions would be included in the sample in order to reach 50% (starting with the largest institution not yet in the sample).

2.62. When calculating the 50% market share, the share of domestic entities of foreign groups which report to a different group/home supervisor should be taken into account. This means that in cases where 50% of the market is covered either by solos or sub-groups belonging to non-domestic groups which reports for FS purposes, no additional reporting would be required to reach 50%.

**Impact on reporting entities**

2.63. The 50% market share requirement only concerns the set of groups/undertakings that will have to report additionally for financial stability purposes. It does not affect the set of groups/undertakings which will report for prudential purposes.

2.64. The requirement is that the share of assets by groups and undertakings reporting for financial stability purposes must reach a minimum of 50% in all national markets. This would allow a proper representation of the European market. However, it means that the market share requirement will only have effect on groups/undertakings with assets lower than the EUR 12 bn threshold (since groups/undertakings with assets above 12 bn would be required to report for financial stability purposes).

2.65. Data collected by EIOPA indicates that these groups and individual undertakings are likely to reside in Poland, Liechtenstein, Greece, Finland, Estonia, Cyprus, Latvia, Slovenia and Iceland (see Figure 1).

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12 Data was not available for Lithuania, Luxembourg and Malta.
Figure 1: National market share reached with 12 bn asset threshold. Data based on end-2010 reporting.

2.66. As the market share requirement will only apply to institutions with assets below EUR 12 bn, it per definition adds smaller institutions. A survey carried out by EIOPA indicated that in 5 countries, the institutions which will be added will all have less than 6bn in assets (with end 2010-data). Although the market share requirement will imply additional burden for smaller institutions, it should be noted that reporting for financial stability purposes is on a best effort basis allowing the necessary flexibility in reporting.

2.67. However, these groups and individual undertakings will face higher reporting burden, and therefore costs.

2.68. In particular, group reporting for financial stability purposes mainly implies the following:

- Early deadline: Deadline for groups for the items defined to be relevant for financial stability is shorter than the prudential group deadline. It is set to be prudential individual-deadline, plus 1 week for consolidation (i.e. a deadline of 6 weeks after transition period).

- Additional items: FS reporting introduces additional reporting on a limited set of items.

2.69. For individual undertakings (solos), being identified as a reporting institution for financial stability purposes mainly implies the following additional reporting requirements:
- Shorter deadlines: For annual items, the individual deadline is 14 weeks, while for the limited number of financial stability items, the deadline remains at 6.
- Additional items: FS reporting introduces additional reporting on a limited set of items

**Impact on EIOPA and National Supervisory Authorities (NSAs)**

2.70. The impact on National Supervisory Authorities (NSAs) of this policy option would mainly be that they would be able to access more data with higher frequency and with shorter deadlines for the largest institutions in their jurisdiction. There will however, be some administrative work required to assign companies for reporting and handling the data received.

2.71. The main benefit to EIOPA of a 50 per cent national market requirement is that this data would be comparable in terms of deadline, frequency and content both for large share of the EU-wide insurance sector, but also for individual markets. EIOPA is required by regulation to monitor and assess market developments in the area of its competences, and the introductory text of the EIOPA regulation states that it is necessary to “identify, at an early stage, trends, potential risks and vulnerabilities stemming from the micro-prudential level, across borders and across sectors” in order to safeguard financial stability. Consistent, frequent and timely data across countries is a prerequisite for this.

**Policy option 2: By relying on prudential reporting to supplement the dataset in countries with a low national market share for financial stability reporting**

2.72. Any alternative to the 50% market share criterion would have to ensure that EIOPA has at its disposal at least a minimum of key data for all countries of the EU/EEA. If EIOPA would only rely on prudential reporting to supplement financial stability reporting for those countries where a market share of 50 per cent was not reached with the 12 bn threshold, prudential data covering the same data items (as far as possible) would have to be sent to EIOPA shortly after the prudential deadlines.

2.73. Provided that the smaller institutions which would have fallen under the national market share requirement would in any case be required to report for prudential purposes (but with longer deadlines, reduced frequency and not all items), such information for smaller markets would improve on EIOPA’s ability to carry out its tasks.

**Impact on reporting entities**

2.74. Relying on prudential reporting to supplement financial stability reporting would mean that there would be no additional reporting requirements imposed on smaller groups and individual undertakings. The overall reporting burden would therefore be reduced when compared to policy option 1.
Impact on EIOPA and National Supervisory Authorities (NSAs)

2.75. For EIOPA and NSAs, some data would not be available before the prudential deadlines (11 weeks for groups), some data would not be available quarterly and some data would not be available at all. In particular, the following data would not cover 50% in all national markets in the sample used for financial stability analysis (i.e. with quarterly frequency and within the 6 week deadline).

2.76. For groups, such data would comprise:

- Key balance sheet data
- Key information on premiums and claims
- Key information on own funds
- Detailed lists of assets on a group-level
- Annual guarantee rates
- Lapses
- Duration of technical provisions
- Profit and loss, and
- Profit and loss sharing
- Detailed lists of assets
- SCR ratios

2.77. For individual undertakings, such data would comprise:

- Annual guarantee rates
- Lapses
- Duration of technical provisions
- Profit and loss, and
- Profit and loss sharing
- Detailed lists of assets
- SCR ratios

Policy issue 3: How should undertakings perform the quarterly SCR calculation?

2.78. Prudential reporting foresees a full calculation of the SCR and all the sub-modules annually for reporting purposes.

2.79. The Solvency II directive foresees that SII insurance and reinsurance undertakings monitor the amount of eligible own funds and the Solvency Capital Requirement on an ongoing basis.

2.80. It is necessary to inform financial stability assessments with information on regulatory capital requirements faced by the industry and the development
of the risk bearing capacity of the sector in the form of asset base and own funds endowment. Information on the SCR levels would be required quarterly to assess trends in the total solvency surplus of insurers in the European market. However, due to the complexity of SCR calculations, two policy options were considered. The first foresaw a full calculation of SCRs, while the second would require only an update of the volatile parts (if any) of the SCR.

**Policy option 1: Full calculation**

*Impact on reporting entities*

2.81. A full SCR calculation would be highly resource intensive and would require a full calculation of all sub-modules, cash flows and liability structure. Although feasible, the costs in terms of manpower would be extensive, especially on a group level.

2.82. Required resources could be expected to be slightly lower among internal model users since insurance and reinsurance undertakings in any case have to demonstrate that the internal model is widely used and plays an important role in their system of governance.

*Impact on EIOPA and National Supervisory Authorities (NSAs)*

2.83. A full SCR calculation would provide EIOPA and NSAs with a high-quality measure of capitalization and capital adequacy in the insurance sector.

**Policy option 2: Update of volatile parts based on general principles**

*Impact on reporting entities*

2.84. A simplified SCR calculation would indicate the approximate value of SCR by only updating the most volatile parts of SCR on a quarterly basis (e.g. market risk module). 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.

2.85. In particular, it is expected that the market risk module will require most frequent recalculation due to its relatively volatile input parameters. Other SCR modules would be 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 II directive).

2.86. For internal model users a simplified calculation should be related to their "use-test", meaning that SCR approximations which are employed internally would also suffice for a best effort SCR reporting.

2.87. Such a simplified SCR calculation would still require resources, but less than a full calculation.
**Impact on EIOPA and National Supervisory Authorities (NSAs)**

2.88. A simplified SCR calculation would provide EIOPA and NSAs with a best-effort measure of capitalization and capital adequacy in the insurance sector and would allow EIOPA to monitor important market developments in the solvency situation of major European insurers on a quarterly basis.

**Comparison of options**

**Policy issue 1: Should EIOPA require additional reporting for financial stability purposes and issue Guidelines to this effect?**

2.89. The preferred policy option is to issue financial stability reporting guidelines because this reduces the need for extensive ad-hoc surveys, will be known to all stakeholders and enables reporting entities, national supervisory authorities and EIOPA to relate to a consistent and extensive set of data items. The other option considered was disregarded because of the drawbacks related to launching ad-hoc surveys and the difficulty of building proper time series data with such surveys.

2.90. In particular, while prudential reporting according to Article 35 of Solvency II Directive contains an extensive set of data and could inform also the financial stability discussion, the data is reported with large lags (11 weeks for groups, plus additional time for quality control at the level of national supervisory authorities) which means that the delay in receiving this information at EIOPA would be almost three months. For some tasks, this delay could be acceptable. However, for a set of key tasks, data is required earlier. Such tasks include the production of financial stability report, quarterly risk dashboards and internal risk reports.

2.91. Prudential reporting also requires certain items only at an annual frequency, and some information described in section 5 would not be covered. For some tasks, this could be acceptable. However, for certain tasks, data is required with higher frequency, together with the limited additional data items (such as profit and loss figures). Such tasks include the production of financial stability report, quarterly risk dashboards and internal risk reports.

2.92. EIOPA recognises that the quantitative information referred to in the Guidelines will represent an additional burden to insurance and reinsurance undertakings. This burden would include the additional resources needed to meet the requirements of earlier reporting of key data. In order to reduce the burden on smaller insurance and reinsurance undertakings, EIOPA will apply size thresholds, and only request information on a best effort basis for financial stability purposes.
Policy issue 2: How should representativeness and a reasonable national market share be ensured?

2.93. The main criteria for defining the set of undertakings which should report for financial stability purposes is the 12 bn size threshold. However, this threshold might lead to some markets being underrepresented or not represented at all in the European sample. Therefore, the size threshold was initially complemented by a 50 per cent market coverage requirement, relying on reporting by groups/undertakings. This option would ensure that all markets are represented in financial stability analysis carried out by EIOPA. However, following the public consultation and the subsequent streamlining of the reporting package with increased reliance on prudential reporting, EIOPA considered that the market share requirement as initially proposed could lead to an undue burden for smaller entities. EIOPA is therefore not including the market share requirement in its final version of the Guidelines.

Policy issue 3: How should undertakings perform the quarterly SCR calculation?

2.94. The preferred policy option for this policy issue is to request updates of the most volatile parts of the SCR because the costs to undertakings of a full calculation are seen as prohibitive. It can be expected that the level of capital requirements and, consequently, of SCR coverage ratios, will be subject to a certain degree of volatility. However, EIOPA considers that a partial calculation provides a fair balance between financial stability needs on one hand, and the required resources by reporting entities on the other hand. Following the public consultation, EIOPA notes that it might not be necessary to update all elements of the market risk module to report SCR on a best-effort basis.

2.95. As described in the Guideline, 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.
### Annex III: Resolution of comments

#### Summary of Comments on Consultation Paper EIOPA-CP-14-045

**CP-14-045-GL on financial stability**

EIOPA would like to thank Insurance and Reinsurance Stakeholder Group (IRSG), Actuarial Association of Europe (AAE), AMICE, CFO Forum and CRO Forum, Deloitte Touche Tohmatsu, Federation of European Accountants (FEE), GDV, Institute and Faculty of Actuaries, Insurance Europe, Investment & Life Assurance Group (ILAG), MetLife, OP Group, and RSA Insurance Group plc.

The numbering of the paragraphs refers to Consultation Paper No. EIOPA-CP-14-045.

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Reference</th>
<th>Comment</th>
<th>Resolution</th>
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<tr>
<td>1</td>
<td>IRSG</td>
<td>General Comment</td>
<td>We welcome that the quantitative reporting requirements for financial stability reporting are comprised within an own annex now. This makes the requirements much clearer compared to the templates which were consulted in 2011. The reporting periods required for financial stability reporting are critical because the data requirements for regular reporting and financial stability reporting are partially identical but the reporting period for financial stability reporting is shorter and undertakings would need to introduce several different reporting processes for identical reporting contents. From a cost-benefit point of view this is very questionable, if feasible at all. So in case the financial stability reporting remains the reporting periods should be the same as for the regular quarterly reporting. EIOPA should allow flexibility around the delivery of the Financial Stability Reporting, given that this is required shortly after the quarter or year-end (6 weeks) compared to 11 or 20 weeks for groups for all other regular reporting requirements or compared to 14 weeks for solo undertakings for annual regular reporting. Given that these requirements are the responsibility of EIOPA to the ESRB are are not defined in the Solvency II Framework Directive or the Delegated Act, the IRSG proposes the following ways in which to alleviate the financial stability reporting burden:</td>
<td>EIOPA understands the concern of the stakeholders, but considers that a certain set of Financial Stability reporting is necessary in order to ensure its ability to carry out its tasks according to the EIOPA Regulation and to continue to produce high-quality, relevant and timely analysis. However, following the consultation, EIOPA has put substantial effort into streamlining the financial stability reporting and reduce overall burden. This effort has been guided by dialogue also with the industry, and the final...</td>
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</table>
- Alignment with the RSR reporting deadlines. This will avoid a double submission of the same information;
- Phase-in of the financial stability reporting, so that the first reporting takes place in 2017, in order to first ensure the quality of the SFCR and the RSR. This will enable EIOPA to make an assessment as to whether any additional financial stability specific information is needed, beyond what is already required by the RSR and the SCFR;
- Where reports are identical between financial stability reporting and the existing QRTs, the financial stability reports should simply refer to the relevant RSR. Generally, there should be greater use of the existing Solvency II QRT package.

The document needs some serious drafting improvement. Some proposals are made.

|||

A version of the Guidelines has been revised to allow for:

i) longer deadlines (extended with 1 week);
ii) reduced overall reporting burden both for groups and individual undertakings with reliance on aggregated balance sheet information instead of detailed lists;
iii) increased consistency with prudential reporting, referring to ITS on reporting where possible.

This will reduce the burden on companies, and should also reduce the operational complexity related to the beginning of Solvency II reporting.

Finally EIOPA would like to highlight the limited scope of the application of the guidelines to groups/undertakings with more than EUR 12 bn in total assets. To guarantee that small/medium undertakings are not captured by these requirements, the market share requirement that
could lead to smaller companies being captured, in particular in small Members States, is no longer applied.

See also the feedback statement in this document.
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<th>2.</th>
<th>Actuarial Association of Europe (AAE)</th>
<th>General Comment</th>
<th>See response to question 1.</th>
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</table>
|    |                                      | We agree the need for additional reporting for financial stability purposes, and understand that additional information may be required from companies that pose greater systematic risk to the economy. However, we consider that the deadlines for financial stability reporting are unnecessarily short considering the amount and nature of information required. This is because:

It is proposed that the templates required for FS purposes will have more approximations applied than the equivalent templates for regular reporting. Therefore, a more accurate version of the same information will need to be produced by insurers a few weeks later for submission to EIOPA. The benefit to EIOPA of receiving a less accurate version of the same information a few weeks earlier at the cost of operational challenges to insurers is not clear.

While we note that the information required to be filled in FS templates is more abridged than the equivalent templates for regular reporting QRTs; the same background calculation process and data gathering exercise would generally be required to complete the FS templates. For example, to report the overall SCR calculation, undertakings will still need to calculate or approximate their SCR for all risk modules, and perform aggregation. This means that the effort required to complete the FS templates is not significantly less than the information required for regular reporting for several templates.

We also note that there appears to be no intention to differentiate in the timing of information required for annual and quarterly submissions for financial stability purposes. (Although note our comment in relation to guideline 19.) This is not consistent with the submission deadlines for regular QRTs where the deadlines for submitting the annual information are longer than the deadlines for submitting the quarterly information. We believe different reporting timelines are needed for annual and quarterly information because:

Additional QRTs are required to completed on an annual basis so the amount of information required annually is more than the amount required for quarterly submissions

EIOPA guidelines on the calculation of technical provisions published on 19 January provide for greater use of approximations in the
calculation of quarterly technical provisions. This may allow for the faster production of the results required to populate a number of the financial stability QRTs.

The information required by groups for financial stability reporting will rely on its subsidiaries being able to provide the relevant information to the parent for consolidation in the Group QRTs. The additional burden of financial stability reporting to subsidiaries that are not identified for FS reporting in their jurisdiction, but whose parent has been identified for FS reporting in a different country may not be proportionate to the systematic risk they pose to the economy.

| 3. | Actuarial Association of Europe (AAE) | General Comment | We agree the need for additional reporting for financial stability purposes, and understand that additional information may be required from companies that pose greater systematic risk to the economy. However, we consider that the deadlines for financial stability reporting are unnecessarily short considering the amount and nature of information required. This is because:

It is proposed that the templates required for FS purposes will have more approximations applied than the equivalent templates for regular reporting. Therefore, a more accurate version of the same information will need to be produced by insurers a few weeks later for submission to EIOPA. The benefit to EIOPA of receiving a less accurate version of the same information a few weeks earlier at the cost of operational challenges to insurers is not clear.

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See response to question 1.
submissions for financial stability purposes. (Although note our comment in relation to guideline 19.) This is not consistent with the submission deadlines for regular QRTs where the deadlines for submitting the annual information are longer than the deadlines for submitting the quarterly information. We believe different reporting timelines are needed for annual and quarterly information because:

Additional QRTs are required to be completed on an annual basis so the amount of information required annually is more than the amount required for quarterly submissions.

EIOPA guidelines on the calculation of technical provisions published on 19 January provide for greater use of approximations in the calculation of quarterly technical provisions. This may allow for the faster production of the results required to populate a number of the financial stability QRTs.

The information required by groups for financial stability reporting will rely on its subsidiaries being able to provide the relevant information to the parent for consolidation in the Group QRTs. The additional burden of financial stability reporting to subsidiaries that are not identified for FS reporting in their jurisdiction, but whose parent has been identified for FS reporting in a different country may not be proportionate to the systematic risk they pose to the economy.

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<th>4. AMICE</th>
<th>General Comment</th>
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<td>We are firmly committed to contributing to the supervision of the financial stability of the insurance sector. However, we find the requirements are generally excessively detailed and the targeted group is unnecessarily broad to monitor the macro-economic developments and financial stability within the EU. We believe that the proposed reporting templates will put a heavy burden on the undertakings. Quarterly reporting SCR: We reiterate our position that quarterly reporting should be limited: We appreciate the acceptance of extrapolations on the basis of the last available full SCR calculation and that a full recalculation of the interest rate risk, spread risk, equity risk, property risk and currency risk is not required. The ORSA already offers a tool for the continuous monitoring of the</td>
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undertaking's overall solvency needs. The ORSA will have to be calculated directly when any significant change in the risk profile triggers the calculation and reporting of a new SCR. The costs of calculating and reporting quarterly information clearly outweighs its benefits.

5. **CFO Forum and CRO Forum**

General Comment

The focus of responses in respect of reporting on QRTs has been in relation to CP-14-052. However many of the comments raised in response to that CP are equally valid in respect of CP-14-048 (where relevant). Accordingly applicable comments have been replicated in this response template to ensure consistency with the comments in respect of regular QRTs within the response to CP-14-052.

1. Producing Q4 reporting to much shorter deadlines in addition to annual reporting of the quantitative templates creates an additional reporting burden. We would suggest removing duplication between annual and quarterly reporting and requiring all information to be provided according to the annual deadlines.

2. We understand that changes in the QRTs were introduced following Omnibus II (LTG package), Implementing measures changes and Q&A process. However, we notice that every single template has been modified and such a number of changes was not expected.

The impact of the changes on the implementation of Pillar 3 will be extremely significant, because not only additional data have been requested but also the design of the templates and the definitions of existing data have been changed. This will impact on IT tools as well as processes and interfaces, and will lead to additional costs and will raise issues regarding the timeline of the Pillar 3 project with potential delay in the implementation of the requirements by insurers, in particular given that the changes to the templates will not in fact be final before the end of June 2015. Moreover, the proposed templates are different from those used for the preparatory phase reporting, meaning work will be required on 2 different...
processes in parallel.
For all the reasons presented above, we believe that NSAs should take into consideration these very late changes when they engage with undertakings on Pillar 3. In practice, the preparatory phase reporting requirements including national specificities should be reconsidered in this respect allowing for proxies, shortcuts and limitations in the scope of entities to be covered. Finally, more time should be provided to undertakings in order to implement the final Pillar 3 requirements allowing them to use best efforts, proxies and shortcuts on the QRTs even after Solvency 2 enters into force in 2016.

3. The format of the LOG files (PDF) makes data processing and analysis rather difficult. It would be easier to handle if LOG files are delivered in Excel and the format within the templates is consistent.

4. For analysing EIOPA requirements it would be helpful if formulae remain within the templates (like in the July 2012 Consultation) or at least within the description field in the LOG file. The validation sheet is difficult to handle and some formulae are missing.

5. In order to avoid inconsistencies between QRTs and LOG files and also within QRTs and within LOG files it would be helpful to have one “Consolidated LOG file” for every QRT. A benefit for undertakings is that the requirements are easier to analyse. An example can be provided if helpful.

6. Please mark clearly any change in the QRTs / LOG files which has been done compared to the QRTs / LOG files subject to consultation.

7. In the Note “Navigating through the Solvency II reporting and disclosure package” it is stated on page 9, point 4.7., that the codification of validations will be changed. Is this change also planned to be performed for the templates themselves? We would
appreciate if the codification remains as in the consultation. Every (even small) changes in numbering, codifications etc. creates a very time consuming burden to undertakings as documentation has to be updated.

8. Wherever third party names are required (e.g. issuer name in the asset listing template, counterparty in the derivative listing template) EIOPA’s preference is to receive the name of third parties as set out in the LEI data base. In the early stage of Solvency II implementation, LEI coverage is expected to be very low and hence flexibility to apply alternative approaches and simplifications will be needed (for example, using the legal name of those undertakings).

9. We have noted several inconsistencies throughout our analysis between the QRTs and LOG files, and also within the QRTs and LOGs. Please note that we have raised specific examples against specific QRTs for your reference.

10. The templates issued as part of this consultation exclude any formulae. This makes it significantly more difficult to understand exactly what is required to be input into an individual cell. As a result reliance is being placed on the formulae that were provided in the set of templates issued in 2012. This is far from ideal, and leads to a greater risk of misinterpretation. When does EIOPA intend to provide formulae so that the QRT/requirements are finalised (this impacts, for example, systems built).

11. Many QRTs (Cover-A1A, OF-B1A) have been divided into several QRTs without changing the information content (except for the currency). These modifications will strongly impact our IT tools and will lead to additional costs. We are also concerned as regards the delay of such implementations, which doesn’t fit with the timeline of the third pillar. We suggest keeping the old formats of these QRTs.
(s.05.01/02 & s.23.01/02/03/04 : Division of a QRT into several QRTs)

12. We have provided detailed comments below on the individual QRTs provided by EIOPA. Where those comments arise on several variants of the same template (including across different consultation papers) we have provided the comment with respect to each relevant variant of the template.

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<th>No.</th>
<th>organisation</th>
<th>General Comment</th>
<th>Notes</th>
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| 6.  | Deloitte Touche Tohmatsu | We believe that the deadlines for financial stability reporting are very short, especially once the transitional period is over, considering the amount and nature of information required. We do notice that there is a greater scope for approximations for reporting for FS purposes, but the time required for production, review, validation and sign-off of information required for financial stability reporting will create resource constraints for insurers.  
Barring a few templates required only for Financial Stability (such as lapses, duration of liabilities etc), most of the templates will also be submitted to the regulator as part of regular reporting. These templates will have less simplifications than those submitted for financial stability purposes. The benefit to EIOPA of receiving a less accurate version of the same information a few weeks earlier at the cost of operational challenges to insurers is not clear.  
In general a harmonization of delivery times for groups and solo entities is difficult. | See response to question 1. |
| 7.  | Federation of European Accountants (FEE) | 1) We welcome that the quantitative reporting requirements for financial stability reporting are now comprised within an own annex. This makes the requirements much clearer compared to the templates which were consulted on in 2011.  
2) The reporting periods required for financial stability reporting are critical because the data requirements for regular reporting and financial stability reporting are partially identical but the reporting | Noted. See also response to question 1. |
Period for financial stability reporting is shorter meaning undertakings would need to introduce several different reporting processes for identical reporting contents. From a cost-benefit point of view this is very questionable, if feasible at all. Thus, if the financial stability reporting remains the reporting periods should be the same as for the regular reporting.

| 8. | GDV | General Comment | GDV welcomes the opportunity to comment on the proposal for guidelines on reporting for financial stability purposes. Additional to our comments below we would like to address our main concerns:

Submission dates should be aligned with Solvency II reporting deadlines

With the introduction of shorter deadlines for financial stability reporting undertakings, especially groups are faced with multiple reporting deadlines. For example, groups which fall under the scope of financial stability reporting have to meet the following deadlines for end of year reporting:

- Regular quarterly Solvency II report = 11 weeks after 4th quarter end;
- Regular annual Solvency II report = 20 weeks after year end
- Quarterly/annual information for financial stability = 6 weeks after 4th quarters end

All reports include in large parts identical information. Thus, the supervisory benefit arises solely from the fact that certain information is available at an earlier stage. However, to be able to fulfill those reporting deadlines undertakings have to establish multiple processes for basically identical content. This requires many resources without an adequate benefit for the undertaking itself as well as for the supervisory authority. Here, we see a great mismatch of costs and benefit. We therefore ask EIOPA to align submission dates for FS reporting to submission dates for QRT reporting under... | See response to question 1. |
Solvency II.

We support a requirement of SCR templates on an annual basis, but not on a quarterly basis.

Although we appreciate that the guidelines do not ask for a full recalculation of the SCR on a quarterly basis anymore, the industry still supports an SCR calculation on an annual basis. The calculation of cash flows on a more than annual frequency would be very burdensome and time consuming. Furthermore, the calculation of a group SCR on a quarterly basis requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis. It also requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The reason for that is that those data are required for group solvency calculations (i.e. to calculate the group SCR based on consolidated accounts, the contribution of non-available own funds or the group SCR floor). The proposed deadlines would be hard to meet. Additionally, Article 102 of Level 1 foresees annual calculation of the SCR, which is also only required by EIOPA for regular reporting.

Furthermore, explanatory texts are non-binding explanations and clarifications. This is why they are not and have not been part of the consultations. This should be clarified by EIOPA.

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<th>9.</th>
<th>Insurance Europe</th>
<th>General Comment</th>
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<tr>
<td></td>
<td></td>
<td>Insurance Europe welcomes the opportunity to comment on the draft proposal for guidelines on reporting for financial stability purposes. While the detail of our concern are commented in the following parts, our primary concern is the following:</td>
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<td></td>
<td>EIOPA should alleviate the reporting burden on undertakings for financial stability reporting as this is in its remit.</td>
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See response to question 1.
For the purpose of financial stability, it is hard to conceive the necessity of a shorter reporting deadline for macro-prudential purposes compared with micro-prudential supervision (i.e. general Solvency II reporting). As the Financial Stability reporting requirements are a responsibility of EIOPA towards the ESRB and are enshrined neither in the Solvency II directive nor in the Delegated Acts we propose the following three possible ways to lessen the reporting burden on undertakings:

- Since groups are the primary target of the Financial Stability requirements and considering that Solvency II provides a much longer deadline (additional 6 weeks) for groups to compile their reports, we suggest alignment with the RSR reporting deadlines. Requiring data on a more accelerated basis could compromise the quality of data produced. In addition, as this data will also be used for Solvency II micro-prudential supervision, undertakings will have to submit the same information twice. Furthermore, for financial stability purposes groups are requested to calculate the group SCR on a quarterly basis as opposed to annual basis as required by Article 102(1) of the Directive. This will prove very burdensome and practically impossible since it requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis but also requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The above arguments also apply for solo undertakings which will have to report for financial stability purposes.

- Alternatively, another way forward to alleviate this burden and ensure increased quality of the Q1 2016 reporting is to gradually phase in the Financial Stability (FS) reporting which would allow EIOPA to assess whether any addition FS-specific information is really needed to achieve the FS scope (above that which will be available to EIOPA from either the RSR or SFCR packages). At the earliest, we propose that the date of the first reporting be changed from 2016 to 2017, so that companies are able to ensure the quality of the Solvency II reporting as part of RSR and SFCR.
To the extent that the reports are identical, the number of FS reports should be reduced and instead reference directly to applicable RSR reports. The data requirements should to the extent possible rely on the SII QRT packages as set out in ITS (CP-14-052 and CP-14-055). This information should in turn be sourced directly from the NSAs as recipients of the RSR QRTs.

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<td>10.</td>
<td>MetLife</td>
<td>General Comment</td>
<td>We believe that the unit of reporting should be aligned to Solvency II public and private reporting, and this should be explicitly laid out in the guidelines.</td>
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<td></td>
<td>Agreed, please see new Guideline 3.</td>
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<tr>
<td>11.</td>
<td></td>
<td></td>
<td>This comment was submitted as confidential by the stakeholder.</td>
</tr>
<tr>
<td>12.</td>
<td>OP Group.</td>
<td>General Comment</td>
<td>We note that the Guidelines are not clear in the case where the insurance undertakings belong to the group of the mixed financial holding company which is exempted from the Solvency II group supervision according to Article 213(4 or 5) of the Directive and only the provisions of the Directive 2002/87/EC (FICOD) are applied in the group level. In this case it is possible that the undertaking belongs also to the insurance or reinsurance group but which is not reporting according to Solvency II. If this exemption is applied in Solvency II the same exemption shall be applied also in the Financial Stability Reporting in order that the undertakings shall not be reporting Solvency II in the level of the individual undertaking but Financial Stability in the level of the group. Financial Stability Reporting should supplement the Solvency II reporting. If the reporting levels differ there is nothing to be supplemented. In this case, there would be no financial stability reporting for the group. However, if the undertaking individually reaches the size threshold, it should report for financial stability purposes since it does not belong to a group which reports for these purposes.</td>
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<td>13.</td>
<td>RSA Insurance Group plc</td>
<td>General Comment</td>
<td>We should like to express our appreciation to EIOPA for having produced such an extensive package. The package does provide much clarification where previously there was little; and it serves to provide a very useful basis to help firms prepare for SII implementation. As per EIOPA's request, our comments are restricted only to those areas which have seen changes from what was consulted upon in Noted.</td>
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<tr>
<td>14.</td>
<td>Insurance Europe</td>
<td>Introduction</td>
<td>Currently, undertakings are facing considerable reporting requirements implementation burden at this point in time (interim reporting, ECB reporting, SII reporting, National supervisors specific request) let alone that the current consultation will result in subsequent changes adding to the burden. One of the way forward to alleviate this burden and ensure increased quality of the Q1 2016 reporting is to gradually phase in the Financial Stability (FS) reporting which would allow EIOPA to assess whether any addition FS-specific information is really needed to achieve the FS scope (above that which will be available to EIOPA from either the RSR or SFCR packages). At the earliest, we propose that the date of the first reporting be changed from 2016 to 2017, so that companies are able to ensure the quality of the Solvency II reporting as part of RSR and SFCR. The deadlines set out in Guideline 23 should therefore be changed to this effect, recommending that deadlines for undertakings meeting 1.15 a-b) and those that meet 1.15 c) to begin to report be postponed by one year each (or a later date than this, if a longer phase-in could be envisaged).</td>
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<td>15.</td>
<td>IRSG</td>
<td>Guideline 1</td>
<td>Under 1.14 first line: „which belong to an insurance or....“ We wonder if 1.14) is also exempting subgroups from the scope. We assume that this is the case and suggest to clarify this in the GL.</td>
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<tr>
<td>16.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 1</td>
<td>This comment also relates to guideline 2, 1.15 (c). 1.14 notes that where an individual insurance company belongs to a group which is required to report for financial stability purposes, that the firm does not have to report individually. We would question how this requirement interacts with the country coverage provision in 1.15 (c). Where a large insurer in country (a) reports as part of a group with headquarters in country (b), does the group participation contribute to the national market coverage? If not, do regulators intend to (1) request the firm to produce a solo return or (2) extend the scope of the financial stability reporting to smaller firms who would not otherwise be in scope.</td>
</tr>
<tr>
<td>17.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 1</td>
<td>This comment also relates to guideline 2, 1.15 (c). 1.14 notes that where an individual insurance company belongs to a group which is required to report for financial stability purposes, that the firm does not have to report individually. We would question how this requirement interacts with the country coverage provision in 1.15 (c). Where a large insurer in country (a) reports as part of a group with headquarters in country (b), does the group participation contribute to the national market coverage? If not, do regulators intend to (1) request the firm to produce a solo return or (2) extend the scope of the financial stability reporting to smaller firms who would not otherwise be in scope.</td>
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<td>18.</td>
<td>Federation of European Accountants (FEE)</td>
<td>Guideline 1</td>
<td>We wonder if 1.14 also exempts subgroups from the scope. We assume that this is the case and suggest this is clarified in the GL.</td>
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<td>19.</td>
<td>OP Group.</td>
<td>Guideline 1</td>
<td>Guideline 1 specifies the level of the reporting. In the way the insurance group is defined by articles 212 and 213 of the Directive the individual insurance undertaking may belong to the insurance group being part of the mixed financial holding company which might have been exempted from the Solvency II group supervision. According to 1.13 or 1.14 these undertakings should report consolidated data or not report individually, and if reporting, it means they shall report as a member of the group. We propose to amend paragraph to the guideline 1: 1.15. If the individual insurance and reinsurance undertakings belongs to insurance or reinsurance group and has as its ultimate parent undertaking a mixed financial company which is exempted from the Solvency II group supervision according to Article 213(4 or 5) of Directive then paragraph 1.12 for the individual reporting applies.</td>
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<tr>
<td>20.</td>
<td>IRSG</td>
<td>Guideline 2</td>
<td>Under 1.15 first line: “to identify the reporting entities are as follows...” Under 1.15 b) last line: “group reporting under the previous...” Under 1.16 third line: “Solvency Capital Requirement”</td>
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<td><strong>21.</strong></td>
<td><strong>Insurance Europe</strong></td>
<td><strong>Guideline 2</strong></td>
<td><strong>1.15.</strong> It should be clarified upon which closing period the criteria are based. We understand the assessment of whether this threshold is exceeded will happen every year based on the entity latest financial year end figure. It would be useful to get a little more insight into how the decision to set the EUR 12 bn reporting threshold was made. This could help understanding whether and when this threshold are likely to change in the future.</td>
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<tr>
<td><strong>22.</strong></td>
<td><strong>MetLife</strong></td>
<td><strong>Guideline 2</strong></td>
<td>The reference period used to determine whether or not the EUR 12bn threshold is exceeded, should be clarified. It would be useful to also secure further insight into how the EUR 12bn reporting threshold is determined. Explanatory text or further clarification in the guidelines should be provided on the different rules for entering/exiting the reporting sample.</td>
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<tr>
<td><strong>23.</strong></td>
<td><strong>IRSG</strong></td>
<td><strong>Guideline 3</strong></td>
<td>Under 1.21 second line: replace „in accounting basis“ by „for accounting purposes“ In paragraph 1.22 the source of the exchange rate to be used for the balance sheet in the Solvency II context is specified. As a consequence of the specification insurers may need to retranslate balance sheet items compared to the exchange rate used for accounting purposes, i.e. complexity may be (unnecessarily) added. So, we suggest to permit the use of the closing exchange rate which are already used under the insurer’s applicable GAAP, even if this has some negative influence on comparability.</td>
</tr>
<tr>
<td><strong>24.</strong></td>
<td><strong>CFO Forum and CRO Forum</strong></td>
<td><strong>Guideline 3</strong></td>
<td>1. It is difficult to apply the requirement relating to using exchange rates issued by the European Central bank or the National Central Bank due to the following reasons: FX rates published by the BOE do not cover the total population of FX rates that may be needed for reporting – e.g. FX rate for</td>
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The European Central bank (ECB) published FX rates are only between Euro (base currency) and other currencies. UK insurers need FX rates between Pounds and other currencies. We also note there is a coverage issue with ECB rates as well. Furthermore, the application of ECB/NCB rates would be inconsistent with FX rates currently used for all other purposes / systems, e.g. for statutory accounting. The relevant market data sources have been carefully chosen and feed into audited reports. Introducing a separate data source just for Solvency II purpose would increase complexity and create additional costs.

We propose the following wording (in case EIOPA regards a specification on FX rates to be necessary):

(4) The conversion into the Solvency II reporting currency as referred to in paragraph 1 and 2 shall be calculated by applying an exchange rate which is available from reliable market data sources such as those used for the statutory reporting or reported by the European Central Bank or the relevant national central bank.

25. Federation of European Accountants (FEE) Guideline 3

The specification in paragraph 1.22 of the source of the exchange rate to be used for the balance sheet may require insurers to retranslate balance sheet items compared to the exchange rate used for accounting purposes. This may add undue complexity into the reporting process compared to permitting the use of the closing exchange rate used under the insurer's applicable GAAP.

Notwithstanding the above, specifying a single exchange rate source to be used for converting financial stability reporting thresholds into national currencies where needed (for example, the rate reported by the European Central Bank as at a certain date each year) may help to reduce uncertainty as to whether insurers or groups close to the threshold(s) are required to provide reporting for the purpose of financial stability.

Please see answer to comment 23.

26. Insurance Europe Guideline 3

1.22. Browsing the ECB website, one realises that two rates can qualify for the purpose of this guideline: the Euro foreign exchange reference rates and the effective exchange rates (EERs) of the euro.

Please see answer to comment 10 and 23.
Clarification is sought as to which one is intended for the purpose of the guideline.

ITS on SFCR (CP-14-055) and RSR (CP-14-052) contain explicit instructions on „format“ (article 2 of the two ITSs) which seems to be lacking here. As we have commented in both of those ITS, Financial stability templates should be aligned with the RSR templates to the greatest extent possible to ensure limited duplication of work. For the sake of example, we note in this regard that between CP-14-055 (SFCR), CP-14-052 (RSR) and CP-14-045 (FS), differences exist as to how rules are defined for currency. A common denominator in terms of formats of the metadata should be achieved because differences will most likely mean separate reports will need to be maintained for what is essentially the same information.

27. **Investment & Life Assurance Group (ILAG)** Guideline 3
   
   We would question whether the benefit of requiring all conversions to the SII Reporting Currency to be performed using central bank rates outweighs the cost involved. Many financial reporting systems are set up using exchange rates from third party providers, which are unlikely to differ materially to central bank rates.

28. **IRSG** Guideline 4
   
   Under 1.24 first line: „report total assets“
   
   Agreed.

29. **Insurance Europe** Guideline 4
   
   We suggest changing the title and replacing it with one that is more expressive of what the guideline is about. „Inclusion in the sample“ is not telling enough with regards to what sample is referred to.

   1.24. In addition, we request that the rationale governing the rules („two consecutive financial years“) laid down here be explained. Although we do not have real concerns about the rule in its own right, it is extremely difficult to comment without a more insight into the rationale behind it and how the reporting threshold (EUR 12 bn, EUR 13 bn) was set.

   The rationale for using two executive years is to keep the sample relatively stable over time.

   Details on the rationale for the 12 bn threshold are given in the impact assessment which was attached to the consultation.

30. **MetLife** Guideline 4
   
   Given the lack of guidance on the reference period used to determine whether the EUR 12bn threshold is exceeded or not, it is difficult to

   Please see answer to comment 29.
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<tr>
<td>31. IRSG Guideline 5</td>
<td>Under 1.25 middle of paragraph: „of a financial year report total assets in the...or the equivalent in the national currency, „ (sentence too long, needs comma) Under 1.25 second last line: „starting from the first...“ Under 1.26: same observation as above for 1.25</td>
<td>OK</td>
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<tr>
<td>32. Insurance Europe Guideline 5</td>
<td>1.25 &amp; 1.26. See our comment on 1.23 and 1.24 regarding the title and the rationale for the rule laid down and the threshold.</td>
<td>Please see answer to comment 29.</td>
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<tr>
<td>33. MetLife Guideline 5</td>
<td>It is unclear why reporting for the financial year is still required, where total assets have fallen below EUR 11bn. In such circumstances, it should not be inappropriate to discontinue prospectively.</td>
<td>Please see answer to comment 29.</td>
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<td>34. IRSG Guideline 6</td>
<td>Under 1.27 fourth line: „under the regular reporting requirements of Directive...“ Under 1.29 a) and b) third line: „as defined in Article 2..“ Under 1.29 c): „criteria laid down in Article 4..“ Under 1.30 introductory paragraph: „insurance and reinsurance undertakings, groups and insurance third country branches eligible to be included under Guideline 2...“ Under 1.30 e) second last line: „supervisory authority by reference to the list...“ It should be clarified how the provisions here relate to the rules suggested in EIOPA-CP-14/044 on the proposal for GLs on methods for determining the market share.</td>
<td>OK. Note that the market share requirement is no longer applied.</td>
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<tr>
<td>35. Actuarial Association of Europe (AAE) Guideline 6</td>
<td>In relation to “a reasonable time”, we would suggest that at least six months notice should be given to firms for inclusion in the scope of financial stability reporting.</td>
<td>Note that the market share requirement is no longer applied.</td>
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<tr>
<td>36. Actuarial Association of Europe (AAE) Guideline 6</td>
<td>In relation to “a reasonable time”, we would suggest that at least six months notice should be given to firms for inclusion in the scope of financial stability reporting.</td>
<td>Note that the market share requirement is no longer applied.</td>
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<td>Organization</td>
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<td>37.</td>
<td>Deloitte Touche Tohmatsu</td>
<td>Guideline 6</td>
<td>Paragraph 1.30e). Identify the insurance and reinsurance undertakings, groups and insurance third country branches identified under paragraph d) that are not already within the scope of Guideline 2 paragraphs a) and b) and which do not belong to a group reporting to a different national supervisory authority by conferring with the list shared between EIOPA and national supervisory authorities according to paragraph 1.34. It implies that once the supervisory authority has identified the entities (solo undertakings or groups) that reach 50% market share, undertakings that belong to a group whose supervisor authority is different to the country of the supervisory authority have to be identified and discarded from the previous list. As a consequence the 50% market share will not be reached. Wouldn’t it be better to follow step e) before step d)? Note that the market share requirement is no longer applied.</td>
</tr>
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<td>38.</td>
<td>Federation of European Accountants (FEE)</td>
<td>Guideline 6</td>
<td>It should be clarified how the provisions here relate to the rules suggested in EIOPA-CP-14/044 on the proposal for GLs on methods for determining the market share. Note that the market share requirement is no longer applied.</td>
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<td>39.</td>
<td>Insurance Europe</td>
<td>Guideline 6</td>
<td>1.30 e. The purpose of this step should be clarified (see GL7 1.13) as the wording is very confusing. Note that the market share requirement is no longer applied.</td>
</tr>
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<td>40.</td>
<td>OP Group.</td>
<td>Guideline 6</td>
<td>1.30 (b) It can be that the individual insurance undertaking is supervised by the NSA and the undertaking belongs to the insurance or reinsurance group which is not supervised by any SA, national or foreign, because the undertaking belongs to the non-insurance group which is supervised according to FICOD. Is it the purpose that this undertaking is eligible to be included to the list according to the total assets of the group, and which insurance or non-insurance group, or according to the assets of the individual undertaking? Note that the market share requirement is no longer applied.</td>
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<tr>
<td>41.</td>
<td>IRSG</td>
<td>Guideline 7</td>
<td>Title: „Inclusion in the sample and first reporting instance following the fulfillment of the market share requirement.” Under 1.32 second last line: „country branches in order to achieve...” Under 1.33:“Insurance and reinsurance undertakings... which are required to report on the basis of the market share requirement Note that the market share requirement is no longer applied.</td>
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defined in Guideline 2... and have been notified according to Guideline 9, should submit to the national supervisory authority the (delete: "set out") quantitative information set out in Guideline 13... and insurance third country branches starting from the fourth quarter..."

| 42. | Deloitte Touche Tohmatsu | Guideline 7 | Paragraph 1.33. Insurance and reinsurance undertakings, groups and insurance third country branches which are required to report under the market share requirement given in Guideline 2, paragraph 1.15 c) and notified according to Guideline 9 should submit to the national supervisory authority the set of quantitative information identified in Guideline 13, Guideline 14 and Guideline 15 for insurance and reinsurance groups and in Guideline 16, Guideline 17 and Guideline 18 for insurance and reinsurance undertakings and insurance third country branches starting in the fourth quarter in the financial year when notification was given. |
| 43. | Insurance Europe | Guideline 7 | 1.31. We fail to understand why after determining the 50% market coverage reporting sample, additional undertakings, outside the scope of that sample are required by this guideline to report. This will go beyond financial stability reporting purpose. Note that the market share requirement is no longer applied. |
| **44. IRSG** | **Guideline 8** | Under 1.34 fourth and last lines: “threshold stated in Guideline 2… the regular reporting requirements of ….”
Under 1.35 first line and second last line: „on the basis of the list defined in paragraph 1.34 … will report on the basis of the market share…” | OK |
| **45. IRSG** | **Guideline 9** | Under 1.36 third line: “to report on the basis of the market share requirement provided in Guideline 2,…” | Note that the market share requirement is no longer applied. |
| **46. Deloitte Touche Tohmatsu** | **Guideline 9** | We propose that “reasonable time” should be defined, and firms should be given at least three months notice if they are to be included within scope for financial stability reporting. | Note that the market share requirement is no longer applied. |
| **47. Insurance Europe** | **Guideline 9** | 1.36. The notification by NCAs to undertakings within a „reasonable timeframe”, to report under the market share requirement leaves too much leeway for NCAs that could end up as a time pressure for the undertaking if the ultimate time allotted to report was short. The timeframe needs therefore to leave at least 3 months for the undertaking. | Note that the market share requirement is no longer applied. |
| **48. MetLife** | **Guideline 9** | The notification to undertakings by NCAs should be time bound, to avoid pressures in case of delays. Given the significant impact on the reporting process/ calendar of a group, it should allow at least 6 months of lead time from when a notification is made to when reporting is first required for submission. | Note that the market share requirement is no longer applied. |
| **49. IRSG** | **Guideline 10** | Under 1.39 fourth and fifth lines: „ensure that the data reported reflect the best assessment of the current financial and operational condition of the entity and are based…”
Under 1.39 a): Why is there a reference to controls and audit? Does regular supervisory reporting have to be audited? | The reference was to internal audit, removed in guideline. It is expected that the supervisory reporting follows |
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<td>50.</td>
<td>Deloitte Touche Tohmatsu</td>
<td>Guideline 10</td>
<td>Paragraph 1.39 states that simplifications employed in the preparation of data for reporting according to the guidelines should be employed consistently over time, yet this appears somewhat inconsistent with the guidance of 1.41 in that undertakings should strive to improve business processes over time so as to reduce recurring discrepancies between FST and QRT reporting. Paragraph 1.39 should be amended to acknowledge that changes in simplifications are allowed when they are to satisfy the requirements of other guidelines.</td>
</tr>
<tr>
<td>51.</td>
<td>Federation of European Accountants (FEE)</td>
<td>Guideline 10</td>
<td>We wonder if there is any need to explain the simplifications used under a best effort approach in qualitative terms and not only on request of the NSA (see also GL 11)</td>
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<td>52.</td>
<td>GDV</td>
<td>Guideline 10</td>
<td>The introduction of the best-effort principle to provide information is appreciated.</td>
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<td>53.</td>
<td>Institute and Faculty of Actuaries</td>
<td>Guideline 10</td>
<td>We note that much of the information required for financial stability reporting is an output for ‘normal’ supervisory reporting. However, the need to produce financial stability metrics on a best efforts basis in advance of supervisory reporting will lead to some duplication of effort. Financial stability data inputs and results will also be provisional, to an extent. Given this and the purpose of its collection, we suggest that the financial stability data / results should be confidential, and</td>
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<td>54.</td>
<td>Investment &amp; Life Assurance Group (ILAG)</td>
<td>Guideline 10</td>
<td>Paragraph 1.39 states that simplifications employed in the preparation of data for reporting should remain consistent over time, yet this appears somewhat inconsistent with the guidance of 1.41 in that improvements in process should be made over time so as to reduce discrepancies between FST and QRT reporting. We feel that paragraph 1.39 should be amended to acknowledge that changes in simplifications are permitted when they are to satisfy the requirements of other guidelines. Please see answer to comment 50.</td>
</tr>
<tr>
<td>55.</td>
<td>MetLife</td>
<td>Guideline 10</td>
<td>Further guidance should be included, in the context of a group with numerous non-significant subsidiaries, and to what extent simplification would be appropriate. In order to allow undertakings to make the most useful simplifications in their case, the best effort principle is kept at relatively high level.</td>
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<tr>
<td>56.</td>
<td>IRSG</td>
<td>Guideline 11</td>
<td>Under 1.42 third and fourth lines: „regular supervisory reporting on the basis of …However, the relevant national supervisory authority…” We wonder if there is no need to explain the simplifications used under a best effort approach in qualitative terms anyway and not only on request of the NSA (see also GL 10). See answer to comment 51</td>
</tr>
<tr>
<td>57.</td>
<td>Federation of European Accountants (FEE)</td>
<td>Guideline 11</td>
<td>We wonder if there is any need to explain the simplifications used under a best effort approach in qualitative terms and not only on request of the NSA (see also GL 10). Please see answer to comment 51.</td>
</tr>
<tr>
<td>58.</td>
<td>GDV</td>
<td>Guideline 11</td>
<td>In light of the fact that fulfilling reporting requirements under Solvency II already poses a heavy administrative burden on insurance companies, financial stability reporting and SII-reporting should be streamlined and divergent reporting requirements should be avoided. Agree, the final Guideline reflects a balanced approach between burden and EIOPA responsibilities, and includes increased consistency with prudential reporting.</td>
</tr>
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<td>59.</td>
<td>Insurance Europe</td>
<td>Guideline 11</td>
<td>There should be no requirement to explain the difference between information submitted for financial stability purposes and regular See answer to comment 51.</td>
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| 60. | IRSG | Guideline 12 | Under 1.43 fourth line: „SCR information provides ...“  
Under 1.44 first line: „As the market risk elements are expected to be the most volatile, ...“  
Under 1.44 last line: „the overall SCR on a best effort basis.“  
Under 1.45 second last line: „reflect the best assessment...“  
Under 1.46 first and second lines: „the national supervisory authority may require a full recalculation of the SCR where there is...“  
Under 1.47 fourth line and 1.48: „national supervisory authority“  
Under 1.47 second last line: „Guideline may constitute ...“ | OK |
| 61. | Deloitte Touche Tohmatsu | Guideline 12 | Is it compulsory to recalculate the market risk module for the quarterly SCR reporting for financial stability?  
The following references do state that quarterly SCR calculation is not required so the reporting requirement for financial stability purposes seems to be asking for information not considered under Level 1 and 2, and not taken into account within the set of supervisory reporting QRTs.  
☐ Article 129 of the SII Directive: “4. Insurance and reinsurance undertakings shall calculate the Minimum Capital Requirement at least quarterly and report the results of that calculation to supervisory authorities. For the purposes of calculating the limits referred to in paragraph 3, undertakings shall not be required to calculate the Solvency Capital Requirement on a quarterly basis”.  
☐ Article 102 of the SII Directive: “1. [...] If the risk profile of an insurance or reinsurance undertaking deviates significantly from the assumptions underlying the last reported Solvency Capital Requirement, the undertaking concerned shall recalculate the Solvency Capital Requirement without delay and report it to the supervisory authorities. 2. Where there is evidence to suggest that the risk profile of the insurance or reinsurance undertaking has altered significantly since the date on which the Solvency Capital Requirement was last reported, the supervisory authorities may require the undertaking concerned to recalculate the Solvency Capital Requirement. | On a best effort basis, quarterly SCR is requested, i.e. no full recalculation required. |
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| Technical Specifications for the Preparatory Phase: “TP.5.69. It can be appropriate to base the simplified calculations of the risk margin to be carried out during the year on the risk margin calculated at the beginning of the year. Since no full calculations of the SCR are carried out during the year, a possible simplification [...]”.

In case a full recalculation is needed on a quarterly basis (e.g., significant change in risk profile), how would it be reported to the NCAs? Is there a specific template for that purpose?

More guidance on full recalculation would be very helpful for insurance companies in case it is required.

Additional guidance on simplified calculation of quarterly technical provisions has been provided in guideline 50-52 of “Guidelines on Valuation of Technical Provisions”, so similar guidance for quarterly SCR calculation is necessary to achieve a harmonised approach across different countries/undertakings.

The industry supports an SCR calculation on an annual basis. The calculation of cash flows on a more than annual frequency would be very burdensome and time consuming. Furthermore, the calculation of a group SCR on a quarterly basis requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis. It also requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The reason for that is that those data are required for group solvency calculations (i.e., to calculate the group SCR based on consolidated accounts, the contribution of non-available own funds or the group SCR floor). The proposed deadlines would be hard to meet.

Quarterly information on the SCR is important for financial stability analysis.

The best effort basis SCR allows extrapolation of less volatile variables, and should allow an approximation of the true SCR.

We agree with the principle that the quarterly SCR should be a good approximation of the true SCR level. Whilst the suggested focus on updating market risk is appropriate, we do not think this should necessarily require a full calculation of the SCR market risk components. Internal Model firms may adopt approaches which roll-
64. Insurance Europe  Guideline 12  The industry still supports an SCR calculation on an annual basis. The calculation of cash flows on a more than annual frequency would be very burdensome and time consuming. Furthermore, the calculation of a group SCR on a quarterly basis requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis. It also requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The reason for that is that those data are required for group solvency calculations (i.e. to calculate the group SCR based on consolidated accounts, the contribution of non-available own funds or the group SCR floor).

   Additionally, Article 102 of the Directive foresees annual calculation of the SCR, which is also only required by EIOPA for regular reporting.

   See comment 62.

65. IRSG  Guideline 13  Under 1.49 introductory paragraph: „should submit annually to the national supervisory authority the following information: “

   Under 1.49 a) and b): delete the words „detailing information”

   Under 1.49 c) third line: „risk groups …”

   Under 1.49 d) and e): What do the words „basic data” and „shares data” mean?

   Most taken.

66. Institute and Faculty of Actuaries  Guideline 13  We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate. For example, whether the detailed reporting on assets, derivatives and lapses is likely to be material for concluding on financial stability.

   See comment 1, changes to reporting requirements.

67. Insurance Europe  Guideline 13  GL 13, 1.49 g) template S.40.01.i profit or loss sharing. This template could benefit from introducing the wording “only applicable where the contract displays such features” (i.e., as a profit or loss

   The log file has been updated with improved
It would considerably facilitate reporting for undertakings if row numbers in the Solvency II templates and Financial Stability templates have the same row number as some have the same number and others do not. Hereunder an example but the point of view refers to all templates for Financial Stability.

1.49.b. Refer to template S.01.02.i. “Basic information”, annual template for group;

- Row R0050 to R0220; there is no compliance with the Solvency II template S.01.02.g
- Row R0150 refer to “Use of group specific parameters” but in S.01.02.g row R0150 refer to “Ring-fenced funds”, the task of ring-fenced does not exist in Stability Report S.01.02.i. and therefore should not be used in Stability Report.

| 68. | IRSG | Guideline 14 | Under 1.50 introductory paragraph: „ to the national supervisory authority the following information:“ | OK |
| 69. | Institute and Faculty of Actuaries | Guideline 14 | We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate. | See comment 1. |
| 70. | Insurance Europe | Guideline 14 | We ask for more clarity on the concept of semi-annual reports – are they considered an own separate set of reporting templates, or part of the quarterly package. This should be closer defined as it affects amongst other things the focus of developing new templates/sourcing the requirements for data | Semi-annual reports should be seen as quarterly reporting where the requirement is only due in relation to Q2 and Q4. |
| 71. | MetLife | Guideline 14 | The applicability of profit & loss of a group, to be presented on semi-annual basis under the Local Accounting Basis, should be clarified in the context of exemption from producing consolidated financial statements [see Regulation 9A of the European Communities | Log files updated to allow for an estimation. |
In such instances, groups should either be exempted, or submission under another basis (such as, US GAAP) should be allowed to avoid full scale move to a consistent GAAP.

Furthermore, frequency to provide such data should be aligned to the existing reporting requirement applicable to private entities where any local GAAP financial statements is prepared & filed only on annual basis.

72. **IRSG**  
**Guideline 15**  
Under 1.51 introductory paragraph: „to the national supervisory authority the following information:”

Under 1.51 a) and b): delete the words „detailing information”

Under 1.51 d) fourth line: „principles used in the undertaking’s financial statements...”

Under 1.51 e) 2: with maturities of...”

Under 1.51 e) 3: „loans to the members of the administrative...”

Under 1.51 f): The text is unclear and is repeated several times in the document. Should the reference be to: „investments held in collective investment undertakings”?

Under 1.51 g) iii: „The information shall... during the reporting period and that were not closed...”

Under 1.51 i) i: „The information shall include... contracts with maturity dates falling after the reporting reference date represents ...”

Under 1.51 i) iii last two lines: „option fits the other part, then the contract needs to be unbundled unless stated ...”

Partly taken.

73. **Actuarial Association of Europe (AAE)**  
**Guideline 15**  
Article 35 of the consolidated Solvency II/Omnibus II directive outlines that some exemptions may apply to quarterly reporting for smaller undertakings. Sections 3.1 to 3.3 of the document called “Navigating through the Solvency II reporting and disclosure package for templates” cites templates S.06.02, S.08.01, S.08.02

According to Guideline 7, reporting entities should ensure that all material operations are covered by the reporting. However, in
and S.06.03 as templates that will have quarterly exemptions. Where exemptions apply to smaller solo undertakings in respect of preparing these templates for regular quarterly reporting, do they still need to prepare this information for Group consolidation if the Group has to prepare the financial stability templates? If so, it may be very challenging to produce this information for Group financial stability reporting within the required deadlines.

accordance with article 35, when undertakings belong to groups demonstrate to the satisfaction of the supervisory authority that regular supervisory reporting with a frequency shorter than one year is inappropriate, given the nature, scale and complexity of the risks inherent in the business of the group, the exemptions would apply as long as all material operations are covered on a group basis.

Please see answer to comment 73.

We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate.

See comment 1.

See comment 1, several templates are no longer required.

| 74. | Actuarial Association of Europe (AAE) Guideline 15 | Article 35 of the consolidated Solvency II/Omnibus II directive outlines that some exemptions may apply to quarterly reporting for smaller undertakings. Sections 3.1 to 3.3 of the document called “Navigating through the Solvency II reporting and disclosure package for templates” cites templates S.06.02, S.08.01, S.08.02 and S.06.03 as templates that will have quarterly exemptions. Where exemptions apply to smaller solo undertakings in respect of preparing these templates for regular quarterly reporting, do they still need to prepare this information for Group consolidation if the Group has to prepare the financial stability templates? If so, it may be very challenging to produce this information for Group financial stability reporting within the required deadlines. | Please see answer to comment 73. |
| 75. | Institute and Faculty of Actuaries Guideline 15 | We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate. | See comment 1. |
| 76. | Insurance Europe Guideline 15 | There is an element of materiality involved especially with regards to 15m) as requesting such information where its immateriality can be clearly expected will give rise to risk costs / undue but with potentially little added value for the scope of this exercise (which is monitoring macro-trends in the EU markets). We therefore ask that all templates are not impacted indiscriminately, but that | See comment 1, several templates are no longer required. |
consideration is given to the type of business conducted. This issue could be tackled by the introduction of thresholds in the requirements

| 77. | MetLife | Guideline 15 | The detailed disclosures for investments should adhere to the granularity already available in D1 QRT, without introducing additional layers of granularity. For example, mortgage & policy loans. 

Also, the reporting of look-through information for the entire group within a short period of 6 weeks, when there are numerous conflicting priorities will be a significant challenge for the industry. We are also concerned with the frequency of such a request, given that we do not anticipate any significant variation in composition of investment funds from one period to another period. |

| 78. | IRSG | Guideline 16 | Under 1.52 introductory paragraph: „the following information” (delete the words „items as defined” and „listed in the following paragraphs”

Under 1.52 a) and b): delete the words „detailing the information”

Under 1.52 c) third line: „risk groups”

Under 1.52 d) and e): What do the words „basic data” and shares data” mean? |

| 79. | Institute and Faculty of Actuaries | Guideline 16 | We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate. |

| 80. | Insurance Europe | Guideline 16 | GL 16, 1.52 g) template 5.40.01.d profit or loss sharing. This template could benefit from introducing the wording “only applicable where the contract displays such features” (i.e., as a profit or loss sharing element) to the LOG. 

It would considerably facilitate reporting for undertakings if row numbers in the Solvency II templates and Financial Stability templates have the same row number as some have the same |

<p>| 71/115 |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>81.</td>
<td>IRSG</td>
<td>Guideline 17</td>
</tr>
<tr>
<td></td>
<td>Under 1.53 introductory paragraph: “the following information”. Delete the words “listed in the following paragraphs”</td>
<td>OK</td>
</tr>
<tr>
<td>82.</td>
<td>Institute and Faculty of Actuaries</td>
<td>Guideline 17</td>
</tr>
<tr>
<td></td>
<td>We suggest EIOPA reconsiders whether the level of detail required for the items listed in Guidelines 13-18 is appropriate.</td>
<td>See comment 1.</td>
</tr>
<tr>
<td>83.</td>
<td>Insurance Europe</td>
<td>Guideline 17</td>
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<tr>
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<td>Similarly to GL 14, we ask for more clarity on the concept of semi-annual reports – are they considered an own separate set of reporting templates, or part of the quarterly package. This should be closer defined as it affects amongst other things the focus of developing new templates/sourcing the requirements for data</td>
<td>Please see answer to comment 70.</td>
</tr>
<tr>
<td>84.</td>
<td>IRSG</td>
<td>Guideline 18</td>
</tr>
<tr>
<td></td>
<td>Under 1.54 introductory paragraph: “the following information”. Delete the words “listed in the following paragraphs” Under 1.54 a) and b): delete the words “detailing the information” Under 1.54 c: What is meant by “all collective investments undertakings held”? Under 1.54 e)i): „The information shall be reported… with maturity dates falling after the reference date represents …” Given that individual undertakings do only have to report financial stability information if they are not part of a group being obliged to perform financial stability reporting we do not understand why the quarterly reporting required here is not identical to the group requirements in GL 15.</td>
<td>OK or no longer applicable. The quarterly reporting differs in cases where the data required is already reported earlier for prudential purposes (for individuals).</td>
</tr>
<tr>
<td>85.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 18</td>
</tr>
<tr>
<td></td>
<td>Similarly to our comment on guideline 15, do all reporting exemptions that apply to the main QRTs also apply to financial stability reporting? We accept that this issue may not arise in practice as smaller firms are unlikely to be in scope for solo financial stability reporting.</td>
<td>EIOPA does not expect that undertakings captured by the FS threshold are exempted. However, please see para. 1.18. See also answer to comment 73.</td>
</tr>
<tr>
<td>86.</td>
<td>Actuarial</td>
<td>Guideline 18</td>
</tr>
<tr>
<td></td>
<td>Similarly to our comment on guideline 15, do all reporting</td>
<td>Please see also answer to</td>
</tr>
<tr>
<td>Organization</td>
<td>Guideline</td>
<td>Comment</td>
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<tr>
<td>Association of Europe (AAE)</td>
<td>exemptions that apply to the main QRTs also apply to financial stability reporting? We accept that this issue may not arise in practice as smaller firms are unlikely to be in scope for solo financial stability reporting.</td>
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</tr>
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<td>Federation of European Accountants (FEE)</td>
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</tr>
<tr>
<td>Insurance Europe</td>
<td>Guideline 18</td>
<td>GL18, 1.54h) template S.41.01c Refer comments to GL 15, 1.51 m) template S.41.01.h information on lapses for life obligations. It would considerably facilitate reporting for undertakings if row numbers in the Solvency II templates and Financial Stability templates have the same row number as some have the same number and others do not. See for example Guideline 13 which relates to group but the view refers to all templates.</td>
</tr>
<tr>
<td>IRSG</td>
<td>Guideline 19</td>
<td>The reporting periods suggested are quite short and should be aligned with the regular reporting deadlines as in the form suggested in this GL the practicability needs to be questioned (see general comment above). Deadlines extended with 1 week, and package streamlined to reduce reporting burden. See comment 1.</td>
</tr>
<tr>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 19</td>
<td>It appears to be the intention of paragraph 1.55 that in relation to 31/12 reporting, both quarterly and annual forms would be submitted within 9 weeks initially, reducing to 6 weeks from 2019. However, a strict interpretation of the reference to article 35 would imply that quarterly reporting would be required initially after 9 weeks (8 + 1) and annual reporting after 15 weeks (14+1). EIOPAs intention should be clarified. The reporting timelines in paragraph 1.56 are inconsistent with this is correct. The deadlines are the same for all frequencies. Please see amended text of GL 19.</td>
</tr>
</tbody>
</table>
Article 308b (7) of the consolidated Directive. The Directive allows eight weeks for quarterly reporting related to any quarter ending on or after 1 January 2016 but before 1 January 2017. This means that reporting in relation to 31/12/2016 is not required for eight weeks. However, as this information would not be submitted in 2016, the wording of 1.56 would require financial stability reporting on the same date as the solo quarterly return rather than one week later. We assume this is an inadvertent error that should be corrected.

| 92. | Actuarial Association of Europe (AAE) | Guideline 19 | It appears to be the intention of paragraph 1.55 that in relation to 31/12 reporting, both quarterly and annual forms would be submitted within 9 weeks initially, reducing to 6 weeks from 2019. However, a strict interpretation of the reference to article 35 would imply that quarterly reporting would be required initially after 9 weeks (8 + 1) and annual reporting after 15 weeks (14+1). EIOPAs intention should be clarified.

The reporting timelines in paragraph 1.56 are inconsistent with Article 308b (7) of the consolidated Directive. The Directive allows eight weeks for quarterly reporting related to any quarter ending on or after 1 January 2016 but before 1 January 2017. This means that reporting in relation to 31/12/2016 is not required for eight weeks. However, as this information would not be submitted in 2016, the wording of 1.56 would require financial stability reporting on the same date as the solo quarterly return rather than one week later. We assume this is an inadvertent error that should be corrected. |

| 93. | Deloitte Touche Tohmatsu | Guideline 19 | Deadlines for Financial Stability are one additional week for the individual reporting during the transitional period of four years. It does not mention the deadlines for groups reporting and it does not distinguish between annual, semiannual and quarterly reporting. Does this mean that the deadlines of 9, 8, 7 and 6 weeks set out in guideline 6 are applicable for all the following reportings? Annual solo, quarterly solo, annual group and quarterly group? |

Please see answer to comment 91. |

| 94. | Federation of European Accountants (FEE) | Guideline 19 | The reporting periods suggested are quite short and should be aligned with the regular reporting deadlines as in the form suggested in this GL may not be practicably possible (see general comment above). |

Please see answer to comment 91. |
<p>| 95. | GDV | Guideline 19 | For purposes of financial stability reporting, which is based on the EIOPA regulation, the same deadlines as for QRT reporting under Solvency II should apply in order to avoid costly duplication of reporting processes without adequate benefit. The current proposal requires submission of financial stability reporting for groups and annual financial stability reporting prior to regular reporting for groups and annual QRT reporting under Solvency II. Therefore it is a disproportionate tightening of the reporting requirements and should be adjusted. Moreover, consistency between Solvency II reporting deadlines and reporting deadlines for Financial Stability purposes will help to ensure data and information consistency for both types of reporting. | See comment 90. |
| 96. | Insurance Europe | Guideline 19 | Date of Financial Stability reporting follows the Solvency II reporting on an individual level plus 1 week, whether it be for solo or group. For reporting on individual undertakings, it means that several data will be the same in the quarterly report under Solvency II as in the Financial Stability report, it means that the same data is reported again but a week later. One example among many is Stability template S.06.03.c “Collective Investment Undertakings - look-through approach” which complies in full with the quarterly Solvency II template on the solo level S.06.03.a. All data included in quarterly Solvency II templates on the solo level should be excluded from the Stability reporting when EIOPA has already received such information a week earlier. We instead propose this information be sourced directly from the NSAs as recipients of the RSR QRTs. | See comment 90. Also this GL only requests info additional to prudential reporting. “All data included in quarterly Solvency II templates on the solo level should be excluded from the Stability reporting when EIOPA has already received such information a week earlier.” Agree, and this is the case. |
| 97. | Investment &amp; Life Assurance Group (ILAG) | Guideline 19 | For undertakings reporting on a group basis for financial stability reporting the deadlines are significantly tighter than those for group reporting under Solvency II. Whilst we appreciate that financial stability reporting is on a ‘best efforts’ basis, these deadlines are likely to be extremely challenging for most groups. | See comment 1 and 90. |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Guideline</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>98.</td>
<td>MetLife</td>
<td>Guideline 19</td>
<td>Given the deadlines for Solvency II &amp; ECB Reporting of groups, we question why Group reporting deadlines under the Financial Stability (EIOPA-CP-14-045) only allow an additional week after the Solo reporting dates. An end-state deadline of 6 weeks for Group reporting does not allow sufficient time to secure and consolidate data on Solvency II basis from all subsidiaries. This could negatively undermine the quality of Solvency II reports, on account of the conflicting priorities.</td>
<td>See comment 1 and 90.</td>
</tr>
<tr>
<td>99.</td>
<td>IRSG</td>
<td>Guideline 20</td>
<td>This comment was submitted as confidential by the stakeholder.</td>
<td></td>
</tr>
<tr>
<td>100.</td>
<td>IRSG</td>
<td>Guideline 20</td>
<td>Under 1.57: “information referred to in…”</td>
<td></td>
</tr>
<tr>
<td>101.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 20</td>
<td>Does the requirement to submit information electronically mean that XBRL tagging is mandatory?</td>
<td>As for the prudential reporting a GL on data point modelling was added and the use of XBRL between undertakings/groups and NSAs is not mandatory. NSAs should define the IT format to use. However, EIOPA taxonomy will include FS reporting.</td>
</tr>
<tr>
<td>102.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Guideline 20</td>
<td>Does the requirement to submit information electronically mean that XBRL tagging is mandatory?</td>
<td>Please see answer to comment 101.</td>
</tr>
<tr>
<td>103.</td>
<td>MetLife</td>
<td>Guideline 20</td>
<td>The XBRL submission format and consistency with the EIOPA-released taxonomy for Interim Measures will be critical. The implementation and embedding of XBRL is a cumbersome exercise, requiring sufficient lead time. We believe such consistency should be beneficial to both the preparers and the NCAs.</td>
<td>EIOPA taxonomy will include FS reporting.</td>
</tr>
<tr>
<td>104.</td>
<td>Insurance Europe</td>
<td>Guideline 21</td>
<td>There does not seem to be a FS equivalent package to the RSR validation rules included in the CP 14-047 Technical Annex I. Is this an oversight?</td>
<td>No. Due to the best effort basis a smaller package of validations is included in the Guidelines.</td>
</tr>
<tr>
<td>ID</td>
<td>Organization</td>
<td>Guideline</td>
<td>Notes</td>
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<tr>
<td>105</td>
<td>Investment &amp; Life Assurance Group (ILAG)</td>
<td>Guideline 21</td>
<td>Data checks – the guideline states that NCAs must complete the data plausibility checks provided in Technical Annex C. Seeing as firms will seek to perform these checks themselves using the template provided by EIOPA, we feel it would make more sense for the guidelines to state that firms must complete these checks and submit evidence of such checks to the NCA, along with supporting rationale for any discrepancies. This is likely to alleviate the burden on the NCA as well as make the process more efficient. As the data is best effort, the plausibility checks are provided for guidance.</td>
<td></td>
</tr>
<tr>
<td>106</td>
<td>IRSG</td>
<td>Guideline 22</td>
<td>Under 1.60 third line: „the size threshold defined in Guideline...“ Under 1.61: The text is unclear. Does it mean the following: „to report in 2016 when they reached only in 2016 the national market share referred to in...? Market share no longer required.</td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Insurance Europe</td>
<td>Guideline 22</td>
<td>1.60. The notification by NCAs to undertakings within a „reasonable timeframe“, to report under the size threshold requirement leaves too much leeway for NCAs that could end up as a time pressure for the undertaking if the ultimate time allotted to report was short. The timeframe needs therefore to leave at least 3 months for the undertaking. Market share no longer required. Reasonable time was chosen to balance view of different stakeholders.</td>
<td></td>
</tr>
<tr>
<td>108</td>
<td>Investment &amp; Life Assurance Group (ILAG)</td>
<td>Guideline 22</td>
<td>‘1.59. National supervisory authorities should use the total assets in the latest annual information available from the solvency regime previously in place to identify undertakings that should report in the first quarter of 2016 according to Guideline 2 paragraph 1.15 a) and b).’ In the UK as regards group capital adequacy reporting under the current Solvency regime, group capital resources rather than total balance sheet assets are required to be reported to PRA and therefore there will be practical difficulties in applying this guideline in the UK. Agreed, this GL is updated.</td>
<td></td>
</tr>
<tr>
<td>109</td>
<td>MetLife</td>
<td>Guideline 22</td>
<td>The reference period to be used should be explicitly laid out, given that FY 2015 Solvency I report is unlikely to be available until late April 2016. In addition, it is unclear what will be the reference data used for groups given IGD reporting under Solvency I does not apply to all groups. The latest available, as set out in the GL.</td>
<td></td>
</tr>
<tr>
<td>110</td>
<td>Insurance Europe</td>
<td>Guideline 23</td>
<td>1.63. The wording „Solvency II opening information“ should be further specified and linked to the Delegated Acts to avoid misunderstanding. There are no longer references to opening information.</td>
<td></td>
</tr>
</tbody>
</table>
This comment refers specifically to the date of application referred to in par 1.11 and further elaborated on in GL 23 for the FS/Stability reporting to enter into force. Currently, undertakings are facing considerable reporting requirements implementation burden at this point in time (interim reporting, ECB reporting, SII reporting, National supervisors specific request) let alone that the current consultation will result in subsequent changes adding to the burden. One of the way forward to alleviate this burden and ensure increased quality of the Q1 2016 reporting is to gradually phase in the Financial Stability (FS) reporting which would allow EIOPA to assess whether any addition FS-specific information is really needed to achieve the FS scope (above that which will be available to EIOPA from either the RSR or SFCR packages). At the earliest, we propose that the date of the first reporting be changed from 2016 to 2017, so that companies are able to ensure the quality of the Solvency II reporting as part of RSR and SFCR.

We propose that the deadlines set out in Guideline 23 be changed to this effect, recommending that deadlines for undertakings meeting 1.15 a-b) and those that meet 1.15 c) to begin to report be postponed by one year each (or a later date than this, if a longer phase-in could be envisaged).

| 111. Federation of European Accountants (FEE) | Annex 1: IA Section 1 | Policy issue 1: Financial instability can have a wide range of causes (stock market crisis, low interest rates, government bond crisis were subjects of the last crises). We wonder whether EIOPA has given sufficient weight to the need for flexibility (black swans). Significant ad hoc surveys may be necessary in addition to recurring financial stability reporting in order to respond to individual challenges. The alternative ad hoc surveys would not mean no regulation at all, but establish a framework to allow NSAs to use quick and focused ad hoc surveys.

Policy issue 2: As with policy issue 1, EIOPA may not have explored sufficiently the need for larger flexibility: It may well be, that information from certain large local insurers in smaller countries is |

|  | See comment 1. | Noted. |
not necessary to assess financial stability issues on a European level. On the other hand an NSA may need additional information from more than a 50% local market share for stability threats on a local level, given local particularities. A framework may need to be established in which specific insurance related financial stability issues identified on a local level are discussed on the European level and evaluated in respect to their impact and the possible need of ad hoc surveys (including scope).

Policy issue 3: We agree with the approach taken by EIOPA.

<table>
<thead>
<tr>
<th>112. Institute and Faculty of Actuaries</th>
<th>113. CFO Forum and CRO Forum</th>
<th>114. Insurance Europe</th>
<th>115. CFO Forum and CRO Forum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annex 1: IA Section 5</td>
<td>Technical Annex A - BI-S.01.02.c</td>
<td>Technical Annex A - BI-S.01.02.c</td>
<td>Technical Annex A - AS-D4-S.06.03.c</td>
</tr>
<tr>
<td>Please see response to Guideline 12 above.</td>
<td>1. Row reference C0010/R0080 is used inconsistently between different template versions (&quot;Reporting submission date&quot; vs. &quot;Language of reporting&quot;).</td>
<td>There are inconsistencies in the LOGs and between QRTs and LOGs: Cell C0010/R0080 is labelled as: S.01.02.c,d (Financial Stability templates) = Language of reporting whereas the equivalent LOG files state &quot;Reporting submission date&quot; for the Financial Stability templates.</td>
<td>1. The level of data granularity of the template has been increased by requiring issuer country of each asset category reported, rather than geographical zone (July 2012 requirement). This change is going to make the template more difficult and this is an area where the industry is already struggling to meet all the template requirements. We accept that EIOPA may want to increase the geographical analysis but would question the need to default to country. There could be intermediate steps between the original EU, OECD and RoW classification and individual country (e.g. by continent for example)</td>
</tr>
<tr>
<td></td>
<td>The templates have been amended. See also answer to comment 67.</td>
<td>Please see answer to comment 113.</td>
<td>Template S.06.03 has been deleted from the final Guidelines. See also answer to comment 1.</td>
</tr>
</tbody>
</table>
2. The template General Guidance now refers to “collective investment undertakings, including when they are Participations” – We feel this could imply that Participations are not necessarily CIC 3 only as it had initially appeared, unless the scope of S.06.03 has changed to also include some CIC 3 assets. However, this is not apparent in the regulations. The regulations therefore appear inconsistent, and it is not clear how S.06.03 will reconcile with the balance sheet. As such, we find it difficult to interpret whether some CIC 4 assets should also be Participations, and if so further clarity as to which ones would be needed. (Note: Participations line from Balance Sheet is also now included in the calculation of ratio of funds to total assets that determines if Quarterly Reporting is required)

| 116. Insurance Europe | Technical Annex A - AS-D4-S.06.03.c | We encourage EIOPA to give very clear urgent guidance on the application of materiality in this template, particularly in light of the cost and complexity of the systems required to provide look-through to the "Nth" level. The new template classifications are substantial and are not aligned to the principle of proportionality. Following further analysis of the updated LOGs and templates, the following questions arise:

☐ The LOG for this template states: “This template contains information on the look through of collective investment undertakings, including when they are participations, by underlying asset category, country of issue and currency. The look through shall be performed until the asset categories, countries and currencies are identified. In case of funds of funds the look-through shall follow the same approach.”

☐ Should this be understood as; undertakings do not have to report each individual underlying asset in the funds?

☐ If a fund’s underlying assets are split per category, country and currency - no further look through is required?

☐ If the category of the underlying asset is a fund, is it correct that we should then look through the underlying fund iteratively until

Please see answer to comment 1.
no further funds are identified?

- Article 84(3) in the Delegated Acts states that “data groupings may be used, provided they do not apply to more than 20% of the total value of assets” for calculations of SCR. This is inconsistent with the LOG for S.06.03 where it states that the condition for quarterly reporting applies when the ratio of collective investments is more than 30%. Should the two percentages not be aligned, along with the Assets/Investments denominators in these two cases?

- Does “Underlying asset category” refer to “Category” only or does it refer to “subcategory or main risk”, within the CIC table?

- All the asset QRT LOGs refer to the applicability of certain fields for method 1 and method 2 groups (where there is a lot of detail in the general comment section of the LOGs); however the LOG for S.06.03 (D4) makes no such mention. We believe this is an oversight, but wish EIOPA to confirm.

- Template General Guidance now refers to “collective investment undertakings, including when they are Participations” – this could imply that Participations are not necessarily CIC 3 only, unless the scope of this template has changed to also include some CIC 3 assets. However this is not apparent in the LOGs. The LOGs appear inconsistent and it is unclear how this template reconciles with the Balance Sheet. As such, we find it difficult to interpret whether some CIC 4 assets should also be Participations, and if so further clarity as to which ones would be needed. (Note: Participations line from Balance Sheet is also now included in the calculation of ratio of funds to total assets that determines if Quarterly Reporting is required)

- The level of data granularity of the template has been increased by requiring issuer country of each asset category reported, rather than geographical zone (July 2012 requirement). This change is going to make the template more difficult and this is an area where the industry is already struggling to meet all the template requirements. We accept that EIOPA may want to increase the geographical analysis but do we need to default to country? There could be intermediate steps between the original EU, OECD and RoW (rest of world) classification and individual country (e.g. by
Furthermore, we suggest amending the LOG as there appears to be an error in the definition of field C0060, where the list of available values is shorter than that specified for the asset categories in Annex 3.

Finally, we note that there is a potential (unintended discrepancy) between the most recent version of this form and the previous version on the following:

Collective investment undertakings – look through. Cell C0060 “Underlying asset category” includes the categories 3 – Listed Equity and 4 – Unlisted equity. On the previous version of the templates the categorisation was 3L for listed and 3NL – for unlisted.

<table>
<thead>
<tr>
<th>117.</th>
<th>CFO Forum and CRO Forum</th>
<th>Technical Annex A - AS-D3-S.09.01.c</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cell C0100 - Net gains and losses: The definition of gains and losses as per LOG guidance is: “The gains and losses are calculated as the difference between selling or maturity value and the value according to article 75 of Directive 2009/138/EC at the end of the prior reporting year end (or, in case of assets acquired during the reporting period, the acquisition value).” This is not in line with the net gains and losses calculation under IFRS and hence, additional effort is required to acquire this information. We ask EIOPA to consider aligning the net gains and losses calculation with IFRS to achieve consistency. We believe that the difference in definition introduces significant complexity to the process and question its real value given that unrealised gains are now also being reported.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Solvency II regulations are devised to monitor solvency positions. All regulations in the directive and in the delegated acts are about positions, not income/expense flows or performance. However, we understand that for supervisory purposes, some information on income/expense flows is helpful. To enable the reporting of performance information under Solvency II, EIOPA will have to use existing standards, or devise its own standards. We believe that the template and standards that EIOPA proposes for</td>
<td></td>
</tr>
</tbody>
</table>

Template S.09.01 has been deleted from the final Guidelines. See also answer to comment 1.
the reporting of investment income/gains and losses is not in line with industry standards (or GAAP P&L standards) for investment asset performance reporting. EIOPA does not explain the supervisory purpose this deviation serves. Investment asset performance measurement is a key component of the insurance industry activities, and reporting has been developed extensively by the industry. The principles EIOPA uses for investment performance reporting deviate from the industry standard, without explanation of the supervisory purposes that this serves. As such, we would propose to report investment performance on an accrual basis, instead of the principles EIOPA formulates, unless EIOPA can provide the purpose of the deviations and a set of standards that achieve the stated purpose.

<table>
<thead>
<tr>
<th>Insurance Europe</th>
<th>Technical Annex A - AS-D3-S.09.01.c</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solvency II regulations are devised to monitor solvency positions. All regulations in the directive and in the delegated acts are about positions, not flows or performance. We understand that for supervisory purposes, some information on flows is helpful. To enable the reporting of performance information under Solvency II, EIOPA will have to use existing standards, or devise its own standards.</td>
<td></td>
</tr>
<tr>
<td>The template and standards EIOPA proposes for the reporting of investment income/gains and losses is not in line with industry standards (or GAAP P&amp;L standards) for investment asset performance reporting. EIOPA does not explain the supervisory purpose this deviation serves.</td>
<td></td>
</tr>
<tr>
<td>Investment asset performance measurement is a key component of the insurance industry activities. Investment asset performance measurement and reporting is developed extensively by the industry. The principles EIOPA uses for investment performance reporting deviate from the industry practice, without explanation of the supervisory purposes that this serves.</td>
<td></td>
</tr>
<tr>
<td>Also, the EIOPA standards contain errors. All previous three versions of this specific template contained errors, and in the current consultation version, this has not been repaired (changed but not repaired).</td>
<td></td>
</tr>
</tbody>
</table>

Please see answer to comment 1.
We propose to report investment performance on an accrual basis, instead of the principles EIOPA formulates. EIOPA performance reports will be used as and when EIOPA reveals the purpose of the deviation and issues a set of standards without errors, in line with the stated purpose.

Furthermore, this template elicits the following comments:

- EIOPA should clarify whether this template should be completed on a year to date basis or in a discrete manner.
- Cell C0100 - Net gains and losses: Definition of gains and losses as per LOG guidance is;
  "The gains and losses are calculated as the difference between selling or maturity value and the value according to article 75 of Directive 2009/138/EC at the end of the prior reporting year end (or, in case of assets acquired during the reporting period, the acquisition value)."
  This is not in line with the net gains and losses calculation under IFRS and hence, additional effort is required to acquire this information. We ask EIOPA to align net gains and losses calculation with under IFRS to achieve consistency. We believe that the different definition introduces significant complexity into the process and question its real value given that unrealised gains are now also being reported.

- C0100 and C0110: EIOPA must clarify whether loss amounts should be filled out in negative or whether the formula accounts for the signs.
- C0070 and C0080 Dividends and interest. Should the amounts disclosed for dividends and interest be shown gross or net of tax?
- Definitions need to be improved - ought to refer to income "receivable" during the year; or income "received and accrued at the period end, less amounts accrued during the previous period."
- There are errors in the current version of the templates:
  - The LOG file still partially refers to cash based reporting.
<table>
<thead>
<tr>
<th>119. CFO Forum and CRO Forum</th>
<th>Technical Annex A - AS-D5-S.10.01.c</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>o Dividend/Interest/Rent received instead of earned (this includes purchased dividend/interest/rent)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>o LOG refers to accruals at the end of the reporting period instead of “Accrual accounting”</strong></td>
<td></td>
</tr>
<tr>
<td><strong>o (unnecessary) Gains and losses are split in realized and unrealized. This distinction cannot be related to supervisory purposes as all assets are valued according to article 75 of directive 2009/138/EC (market value), where the distinction between the two is only relevant for illiquid investments.</strong></td>
<td></td>
</tr>
<tr>
<td>All previous three versions of this template have contained errors of this type and magnitude. We do not see the merit in investing in reports that provide no relevant performance information at all.</td>
<td></td>
</tr>
</tbody>
</table>

1. **1. As stated in the regulations, this template is to contain an “item-by-item list of securities lending transactions and repurchase agreements/contracts” that existed during the reporting period. The QRT however does not contain any attributes that would identify an individual transaction/agreement/contract (or security), such as an ID Code. Consequently, where loans/repo’s within Ring Fenced Funds are the same type (Asset Category), are made to the same Counterparty and have the same start dates, durations etc., should these positions be aggregated?**

2. **We understand that during EIOPA’s recent Stakeholder meeting (held on 22nd of January 2015), a question on the scope of S.10.01 (Securities lending and repos ) template was raised. Can EIOPA confirm the following:**

- **The requirement in this template is to report only securities lending and repo contracts open at the end of the reporting period.**
- **If the template captures both open and closed contracts, for quarterly reporting (financial stability purpose reporting) of closed contract, the requirement is to report only contracts closed during the quarter rather than cumulative position (e.g. in Q2 we should report the contract closed in Q2 only and contracts closed during Q1**

Template S.10.01 has been deleted from the final Guidelines. See also answer to comment 1.
| 120. | Insurance Europe | Technical Annex A - AS-D5-S.10.01.c | Following analysis of the updated LOGs and templates, the following questions arise:

- In A8 (C0100) “Collateral type”, does “the most significant category” mean the category with the largest weight in the collateral pool? What if collateral is 50% cash and 50% government bonds?
- In A6 (C0120) “position in the contract”, does “amount” refer to the market value of the asset? (e.g. in the case of a buyer in the repo the buyer receives an asset in exchange for cash so amount should actually reflect the market value of the asset that the buyer receives)
- Does “inception of the contract” or “start date” mean trade or settlement date?
- It is not clear whether this quarterly template should be completed on a discrete quarter or year-to-date basis like template S.05. Could EIOPA please clarify as there is no guidance on this?

As stated in the regulations, this template is to contain an “item-by-item list of securities lending transactions and repurchase agreements/contracts” that existed during the reporting period. The QRT however does not contain any attributes that would identify an individual transaction/agreement/contract (or security), such as an ID Code. Consequently, where loans/repo’s within Ring Fenced Funds are the same type (Asset Category), are made to the same Counterparty and have the same start dates, durations etc., should these positions be aggregated?

<p>| 121. | Actuarial Association of Europe (AAE) | Technical Annex A - S.25.04.c | Template S.25.04.c is incorrectly titled (in the Excel file) as S.25.04.h – this is the SCR quarterly individual template. | The template was amended. |
| 122. | Actuarial Association of Europe (AAE) | Technical Annex A - S.25.04.c | Template S.25.04.c is incorrectly titled (in the Excel file) as S.25.04.h – this is the SCR quarterly individual template. | Please see answer to comment 121. |</p>
<table>
<thead>
<tr>
<th>Comment</th>
<th>Entity</th>
<th>Technical Annex</th>
<th>Description</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>123.</td>
<td>Insurance Europe</td>
<td>A - S.25.04.c</td>
<td>The industry still supports an SCR calculation on an annual basis. The calculation of cash flows on a more than annual frequency would be very burdensome and time consuming. Furthermore, the calculation of a group SCR on a quarterly basis requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis. It also requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The reason for that is that those data are required for group solvency calculations (i.e. to calculate the group SCR based on consolidated accounts, the contribution of non-available own funds or the group SCR floor).</td>
<td></td>
</tr>
<tr>
<td>124.</td>
<td>OP Group.</td>
<td>A - S.25.04.c</td>
<td>There’s wrong title S.25.04.h.</td>
<td>Please see answer to comment 121.</td>
</tr>
<tr>
<td>125.</td>
<td>AMICE</td>
<td>A - Re-J3-S.31.01.c</td>
<td>Reinsurance: The reassurance treaties are usually set up and renewed on an annual basis. EIOPA should be aware that some information can only be reported on an annual basis; we see no reason why the information requested in this template should be reported on a quarterly basis.</td>
<td>Template S.31.01 has been deleted from the final Guidelines. See also answer to comment 1.</td>
</tr>
</tbody>
</table>
| 126.    | Insurance Europe | A - Re-J3-S.31.01.c | The following questions and comments arise:  
- C0190 Country of residency: the log remains silent as to what country should be indicated for branches – is it the country of the branch or is it the country of the subsidiary the branch is attached to?  
- Information on reinsurers are broken out of the main table into a separate table (C0150-C0240), however in the main table only the code of reinsurer (C0040) is included connecting to C0150, but since this code is not guaranteed to be unique the type of code has to be included in the code but it is missing in the main table. The setup is correct in same report regarding Collateral provider (C0120&C0130)  
- C0230: According to the LOG file the new requirement “Credit quality step” might only be required for the standard formula calculation (“Identify the credit quality step attributed to the | Please see answer to comment 1.
The credit quality step shall reflect any readjustments to the credit quality made internally by the undertakings that use the standard formula.

However, we have noted that EIOPA’s document on main changes refers to both standard formula users and internal model users. As such, we would request that EIOPA clarifies its intention and the situation within which this will apply.

<table>
<thead>
<tr>
<th>No.</th>
<th>Source</th>
<th>Reference</th>
<th>Description</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>127</td>
<td>AMICE</td>
<td>Technical Annex A - Lapses-S.41.01.c</td>
<td>Lapses: It is doubtful that the lapse rate volume indicator will provide any valuable information. We would suggest EIOPA supervises the undertaking’s net-cashflows as this estimator not only gives information on the net-inflows &amp; outflows situation but also on the constraints on the asset and liability management. Net-cashflows could also be used as an index as they can be aggregated at market level. A net cash flow approach would suffice (same benefit) and would be much easier to handle by undertakings (lower cost).</td>
<td>Log file is updated.</td>
</tr>
<tr>
<td>128</td>
<td>CFO Forum and CRO Forum</td>
<td>Technical Annex A - Lapses-S.41.01.c</td>
<td>1. This template is likely to be onerous for insurers and reinsurers to complete, and there are likely to be challenges in obtaining the information. For example, the number of policies as defined in the Log Files for cell C0010 does not consider the situation of reinsurers. Reinsurers will be exposed to the lapses of the underlying policyholders, however due to data feeds of information, there may be a time lag compared to that of the underlying ceding company and the data being provided in a bulk format, which may contain less detailed information compared to the primary insurer’s information. Given the diversity of products that a reinsurer is exposed to (across many ceding companies), the lapse rate in one quarter could be different to the next, and will not necessarily be an indication of financial stability (in particular if to be provided in respect of lapses of the underlying portfolio).</td>
<td>Log file is updated.</td>
</tr>
<tr>
<td>129</td>
<td>CFO Forum and CRO Forum</td>
<td>Technical Annex A - BI-S.01.02.d</td>
<td>1. Row reference C0010/R0080 is used inconsistently between different template versions (“Reporting submission date” vs. &quot;Language of reporting”)</td>
<td>Please see answer to comment 113.</td>
</tr>
<tr>
<td>130</td>
<td>Insurance Europe</td>
<td>Technical Annex A - BI-S.01.02.d</td>
<td>There are inconsistencies in the LOGs and between QRTs and LOGs: Cell C0010/R0080 is labelled as: S.01.02.c,d (Financial Stability templates) = Language of reporting, whereas the equivalent LOG</td>
<td>Please see answer to comment 113.</td>
</tr>
</tbody>
</table>
files state “Reporting submission date” for the Financial Stability templates.

<table>
<thead>
<tr>
<th>131. CFO Forum and CRO Forum</th>
<th>Technical Annex A - Re-J2_basic-S.30.03.d</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Information requirements on outgoing reinsurance arrangements seem to have been increased, in particular regarding reinstatements and the different amounts of commissions (see C0260 - C0350). This greatly increases the complexity of the reporting on reinsurance without clear benefit. Consistent with other figures reported under Solvency II, best estimates should be sufficient rather than ask for minimum and maximums in addition (which are not comparable between different reinsurance arrangements, e.g. if they are defined depending on a loss ratio). We would therefore recommend that EIOPA makes the reporting requirements no more complex than necessary by adding figures that do not serve a specific purpose as defined in the DAs / cannot be interpreted in a meaningful way.</td>
<td></td>
</tr>
</tbody>
</table>

2. In the set of QRTs issued in 2012, the LOG accompanying J1 and J2 stated that a resubmission was required at half or full year if the actual cover was different to what was expected in the initial template. This instruction has been removed in the current consultation and replaced by general guidance in article 4 in CP-14/052. This is detailed below.

Article 4
Re-submission of data
The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor.

We would request that EIOPA clarify whether they would expect every forward looking QRT to be continuously monitored and resubmitted out of cycle as soon as a material item changes, for example the renewal of CAT cover.

Template S.30.03 has been deleted from the final Guidelines. See also answer to comment 1.
The following questions and comments arise:

- **Regarding the new information requested on Information on reinsurers and brokers**, the following should be noted:
  - C0200 Country of residency: the log remains silent as to what country should be indicated for branches – is it the country of the branch or is it the country of the subsidiary the branch is attached to? Regarding information on collateral, the information on C0290 and C0300 seem to replicate the cells C0120 and C0130 already in this template as the log does not provide further information. Further clarification is needed.
  - In the set of QRTs issued in 2012, the LOG accompanying J1 and J2 stated that a resubmission was required at half or full year if the actual cover was different to what was expected in the initial template. This instruction has been removed in the current consultation and replaced by general guidance in article 4 in CP-14/052. This is detailed below.

  - **Article 4**
    - **Re-submission of data**
      - The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor.

      Finally, we would request that EIOPA clarify whether they would expect every forward looking QRT to be continuously monitored and resubmitted out of cycle as soon as a material item changes, for example the renewal of CAT cover.

With regards to the data required in the templates:

- **C0070 Line of business**: As the market use sometimes reinsurance treaties to cover more than one year where the price conditions are fixed upfront for the period, it might be beneficial to have another choice in the selection labelled "multiyear" documented in the log to...
<table>
<thead>
<tr>
<th>Number</th>
<th>Source</th>
<th>Technical Annex A</th>
<th>Issue Description</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>133.</td>
<td>CFO Forum and CRO Forum</td>
<td>Technical Annex A</td>
<td>1. In the set of QRTs issued in 2012, the LOG accompanying J1 and J2 stated that a resubmission was required at half or full year if the actual cover was different to what was expected in the initial template. This instruction has been removed in the current consultation and replaced by general guidance in article 4 in CP-14/052. This is detailed below. Article 4 Re-submission of data The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor. We would request that EIOPA clarify whether they would expect every forward looking QRT to be continuously monitored and resubmitted out of cycle as soon as a material item changes, for example the renewal of CAT cover.</td>
<td>Template S.30.04 has been deleted from the final Guidelines. See also answer to comment 1.</td>
</tr>
<tr>
<td>134.</td>
<td>Insurance Europe</td>
<td>Technical Annex A</td>
<td>Although the calculation of the duration is not complicated, the information may not be available in database therefore undertakings would need to either modify their database of encode this information manually, both solution increasing implementation costs.</td>
<td>Noted.</td>
</tr>
<tr>
<td>135.</td>
<td>OP Group.</td>
<td>Technical Annex A</td>
<td>There's wrong title of S.31.01.c S.31.01.c, Share of reinsurers (including Finite Reinsurance and SPV's)</td>
<td>Amended.</td>
</tr>
<tr>
<td>136.</td>
<td>CFO Forum and CRO Forum</td>
<td>Technical Annex A</td>
<td>1. Row reference C0010/R0080 is used inconsistently between different template versions (&quot;Reporting submission date&quot; vs. &quot;Language of reporting&quot;).</td>
<td>Please see answer to comment 113.</td>
</tr>
<tr>
<td>137.</td>
<td>Insurance Europe</td>
<td>Technical Annex A</td>
<td>There are inconsistencies in the LOGs and between QRTs and LOGs: Cell C0010/R0080 is labelled as: S.01.02.h (Financial Stability templates) = Language of reporting</td>
<td>Please see answer to comment 113.</td>
</tr>
</tbody>
</table>
Whereas the equivalent LOG files state "Reporting submission date" for the Financial Stability templates.

<table>
<thead>
<tr>
<th>138.</th>
<th>CFO Forum and CRO Forum</th>
<th>Technical Annex A - BS-S.02.01.h</th>
<th>1. The definitions for the fields no longer contain the reference to the CIC categories and the crosschecks. It is useful to have these.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Reinsurance recoverable not recognized for TP calculation - it is not clear what items should be reported here. The definition seems to overlap with that of Reinsurance receivables, that is same items, required under both - payments in relation to other events or settled insurance claims. By definition, amounts not recognized are not part of any balance sheet. As such, we would request clarification from EIOPA.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. L23 (Contingent liabilities) is an off-balance sheet item under IFRS. There should therefore be no entry in the statutory accounts value column of row R0740 / C0020, and we would suggest that the relevant cell be struck through for clarity, consistent with other cells in the template where no value is expected.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>4. S.02.01 requires now that property under construction for own use be reported as part of line item Property, plant &amp; equipment held for own use, and no longer under Property (other than for own use) as in the Preparatory Phase. However, property under construction both for own use and for investment is included in one CIC category 94. We believe this should be split, as we should not have one CIC category being reported in 2 different lines on the balance sheet. Further, this will create an issue for the data point model.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Would EIOPA confirm that the new Asset Category 0 created for &quot;Other Assets not elsewhere shown&quot; corresponds to Balance Sheet Item C0010-C0020/R0430 (A29) rather than the &quot;Other Investments” line on the Balance Sheet (C0010-C0020/R0210 (A1)).</td>
</tr>
</tbody>
</table>

See point 4 of comment 4 of CP-14/052.

Please see answers to comment of CP-14/052.
<p>| | | | |</p>
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<tbody>
<tr>
<td>139.</td>
<td><strong>Insurance Europe</strong></td>
<td>Technical Annex A - BS-S.02.01.h</td>
<td>Given that 7 items are extracted from the template S.02.01a, this does not bring additional concern, therefore the level of importance is assumed to be the same as S.02.01a. This template has been replaced by the full balance-sheet template to be reported on a best-effort basis. See also answer to comment 1.</td>
</tr>
<tr>
<td>140.</td>
<td><strong>CFO Forum and CRO Forum</strong></td>
<td>Technical Annex A - Cover-A1Q-S.05.01.h</td>
<td>1. The order of the lines of business in many QRTs is different from the order in the previous version of QRTs. That leads to an unnecessary need for changes in IT tools. We would suggest keeping the same order of lines of business from the previous version of QRTs. Please see answers to comment of CP-14/052.</td>
</tr>
<tr>
<td>141.</td>
<td><strong>Insurance Europe</strong></td>
<td>Technical Annex A - Cover-A1Q-S.05.01.h</td>
<td>It is said in the LOG file “This template shall be reported from an accounting perspective (Local GAAP valuation)”. We believe IFRS should also be mentioned there for the sake of clarity. Please see amended LOG.</td>
</tr>
<tr>
<td>142.</td>
<td><strong>CFO Forum and CRO Forum</strong></td>
<td>Technical Annex A - Assets-D1-S.06.02.h</td>
<td>1. Many field names have been modified in the new QRTs, in particular for QRT S.06.02, without improving the global understanding of QRTs architecture. We suggest keeping the old field names for all of QRTs. Please see answers to comment 182 of CP-14/052.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. We assume that EIOPA has introduced cell C0300 (infrastructure investments) to understand the quantum of investments by the European insurance industry within infrastructure investments. We suggest that EIOPA collects this information at a higher level of granularity on a different template rather than collecting the information on an asset-by-asset basis on a complex template that has already been built.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. CIC 0/09 has been introduced for &quot;Other Assets not elsewhere shown&quot; (Balance Sheet line ref: C0010-C0020/R0430 (A29)), and would now bring these assets into scope for template S.06.02. Is this CIC actually intended to capture &quot;Other Investments,&quot; which are still not reported on S.06.02 (i.e. S.02.01 balance sheet item Ref:</td>
</tr>
</tbody>
</table>
4. We believe there to be an inconsistency regarding Country of Custody (and possibly Issuer Country) for Property CIC 9. The regulations say in respect of Country of Custody: "Regarding CIC Category 9, excluding CIC 95 – Plant and equipment (for own use), the issuer country is assessed by the address of the property". CIC 9 was previously considered out of scope for Country of Custody, as properties are not held in Custody; we interpret the above to suggest it is required. The regulations however refer to “Issuer Country” rather than Country of Custody, so this could have been intended for the “Issuer Country” item. In either of these cases, a change would be required.

143. Deloitte Touche Tohmatsu

Technical Annex A - Assets-D1- S.06.02.h

Templates such as S.06.02 (old AS-D1) and S.08.01 (old AS-D20) are required annually both for supervisory reporting and financial stability reporting. However, deadlines are not the same and the level of detail in both templates is exactly the same. This would mean that, in practice, deadlines for the reporting of list of assets and open derivatives will shorten significantly to fit the financial stability purposes. We believe this is excessive. Template S.08.01 has been deleted from the final Guidelines. As for the S.06.02 it is needed. Please note that the deadline was extended. See also answer to comment 1.

144. Insurance Europe

Technical Annex A - Assets-D1- S.06.02.h

We believe that this new template does not bring added-value to the existing one. We question EIOPA on the opportunity to keep it. Since this is a new template undertakings will incur additional operational costs, as they will have to update their IT systems to accommodate these changes.

We further note that there is a potential (unintended discrepancy) between the most recent version of this form and the previous version from 2012. Cell C0290 uses CIC codes to classify assets, whereas the previous version of the templates, the CIC code classification was aligned with the underlying asset category classification on the look through template. These codes are no longer aligned as CIC category 4 is “Investment Funds” but asset category 4 in cell C0060 on S.06.03 is now “Unlisted equity” and category 5 is now “Collective Investment Undertakings”.

Please see answers to comments of CP-14/052.
We also suggest the following amendments to the templates:

- **C0160/A25**: for consistency purposes, explicit reference to a weighted average acquisition price would be useful (instead of simply average acquisition price); It would be useful to have a column reflecting the "unit percentage of par amount Solvency II price", similar to the column in the "information on assets table", i.e. C0380.

- **C0200/A8**: the definition of issuer name is ambiguous ("Name of the issuer, defined as the entity that offers assets for sale to investors") and could be interpreted as the seller of a security in general, not necessarily the issuer. The issuer is also the seller only on the primary market, so we suggest redefining name of the issuer.

- **C0200/A8**: if the detailed information such as the industry class split according to the LOG Files is required for statistical purposes, we propose to ask for this information rather in a separate survey but not as part of the regular supervisory reporting. Otherwise a best effort approach should be supported with allowing for the class "other" where the information might anyway not provided in a reliable way.

Following analysis of the updated LOGs and templates, the following questions arise:

- **C0170**: clarification is needed as to how to calculate the total SII amount for foreign currency items.

- **C0350** refers to internal ratings only "to the extent that the external ratings are used in their internal modelling" - does this mean that an undertaking using the standard formula does not need to report internally generated credit ratings, even in the case of assets that do not have an external rating and an internal one would be used for SCR calculation?

- The rationale is sought as to why forms such as this are requested multiple times for each reporting period (quarterly, financial stability and annually)?
Clearer guidance is needed on which fields apply to deposits with cedants. The CIC that applies to deposits with cedants could be "Other Investments", which are not reported on this template, but rather in the Balance Sheet for item: C0010-C0020/R0210 (A11). This may become clear once validation rules for data submissions are available.

How should net current assets of unit linked funds be treated on S.06.02? In order for the total on S.06.02 to agree with unit linked assets on the balance sheet QRT (S.02.01), net current assets will have to be included in S.06.02. A possible option includes leaving a reconciling item between S.06.02 and S.02.01, or including under CIC code 79: "cash/other".

CIC 0/09 has been introduced for "Other Assets not elsewhere shown" (Balance Sheet line ref: C0010-C0020/R0430 (A29)), and would now bring these assets into scope for template S.06.02. Is this CIC actually intended to capture "Other Investments," which are still not reported on S.06.02 (i.e. S.02.01 balance sheet item Ref: C0010-C0020/R0210 (A11))?

The cells for the following items have been recodified with "numbers and letters", unlike for the QRTs for preparatory phase, where "letters" were only used. This change will result in increased operational costs. What is the motivation behind the change? Particularly:

- C0060 (A1) Letters Numbers or numbers and letters
- C0090 (A3) Letters Numbers or numbers and letters
- C0100 (A6) Letters Numbers or numbers and letters
- C0150 (A24) Letters Numbers or numbers and letters
- C0220 (A33) Letters Numbers or numbers and letters
- C0260 (A33) Letters Numbers or numbers and letters
- C0310 (A16) Letters Numbers or numbers and letters

For the cell C0310 (A16) "Participation", the LOG states "identify if an equity and other share is a participation included in group supervision." This has been written as if the undertaking prepares...
group reporting. How should it be written in the case of individual undertaking?

145. CFO Forum and CRO Forum

Technical Annex A - AS-D4-S.06.03.h

1. The level of data granularity of the template has been increased by requiring issuer country of each asset category reported, rather than geographical zone (July 2012 requirement). This change is going to make the template more difficult and this is an area where the industry is already struggling to meet all the template requirements.

We accept that EIOPA may want to increase the geographical analysis but would question the need to default to country. There could be intermediate steps between the original EU, OECD and RoW classification and individual country (e.g. by continent for example).

2. The template General Guidance now refers to "collective investment undertakings, including when they are Participations" – We feel this could imply that Participations are not necessarily CIC 3 only as it had initially appeared, unless the scope of S.06.03 has changed to also include some CIC 3 assets. However, this is not apparent in the regulations. The regulations therefore appear inconsistent, and it is not clear how S.06.03 will reconcile with the balance sheet. As such, we find it difficult to interpret whether some CIC 4 assets should also be Participations, and if so further clarity as to which ones would be needed. (Note: Participations line from Balance Sheet is also now included in the calculation of ratio of funds to total assets that determines if Quarterly Reporting is required)

Template S.06.03 has been deleted from the final Guidelines.  
See also answer to comment 1.  
Please see answers to comment of CP-14/052.

146. Insurance Europe

Technical Annex A - AS-D4-S.06.03.h

We encourage EIOPA to give very clear urgent guidance on the application of materiality in this template, particularly in light of the cost and complexity of the systems required to provide look-through to the "Nth" level. The new template classifications are substantial and are not aligned to the principle of proportionality.

Following further analysis of the updated LOGs and templates, the following questions arise:

☐ The LOG for this template states: "This template contains
| Information on the look through of collective investment undertakings, including when they are participations, by underlying asset category, country of issue and currency. The look through shall be performed until the asset categories, countries and currencies are identified. In case of funds of funds the look-through shall follow the same approach. |
| Should this be understood as; undertakings do not have to report each individual underlying asset in the funds? |
| If a fund’s underlying assets are split per category, country and currency - no further look through is required? |
| If the category of the underlying asset is a fund, is it correct that we should then look through the underlying fund iteratively until no further funds are identified? |
| Article 84(3) in the Delegated Acts states that “data groupings may be used, provided they do not apply to more than 20% of the total value of assets” for calculations of SCR. This is inconsistent with the LOG for S.06.03 where it states that the condition for quarterly reporting applies when the ratio of collective investments is more than 30%. Should the two percentages not be aligned, along with the Assets/Investments denominators in these two cases? |
| Does “Underlying asset category” refer to “Category” only or does it refer to “sub-category or main risk”, within the CIC table? |
| All the asset QRT LOGs refer to the applicability of certain fields for method 1 and method 2 groups (where there is a lot of detail in the general comment section of the LOGs); however the LOG for S.06.03 (D4) makes no such mention. We believe this is an oversight, but wish EIOPA to confirm. |
| Template General Guidance now refers to “collective investment undertakings, including when they are Participations” – this could imply that Participations are not necessarily CIC 3 only, unless the scope of this template has changed to also include some CIC 3 assets. However this is not apparent in the LOGs. The LOGs appear inconsistent and it is unclear how this template reconciles with the Balance Sheet. As such, we find it difficult to interpret whether some CIC 4 assets should also be Participations, and if so |
The level of data granularity of the template has been increased by requiring issuer country of each asset category reported, rather than geographical zone (July 2012 requirement). This change is going to make the template more difficult and this is an area where the industry is already struggling to meet all the template requirements. We accept that EIOPA may want to increase the geographical analysis but do we need to default to country? There could be intermediate steps between the original EU, OECD and RoW (rest of world) classification and individual country (e.g. by continent for example).

Furthermore, we suggest amending the LOG as there appears to be an error in the definition of field C0060, where the list of available values is shorter than that specified for the asset categories in Annex 3.

Finally, we note that there is a potential (unintended discrepancy) between the most recent version of this form and the previous version on the following:

Collective investment undertakings – look through. Cell C0060 "Underlying asset category" includes the categories 3 – Listed Equity and 4 – Unlisted equity. On the previous version of the templates the categorisation was 3L for listed and 3NL – for unlisted.

| 147. | Deloitte Touche Tohmatsu | Technical Annex A - AS-D2O-S.08.01.h | Templates such as S.06.02 (old AS-D1) and S.08.01 (old AS-D20) are required annually both for supervisory reporting and financial stability reporting. However, deadlines are not the same and the level of detail in both templates is exactly the same. This would mean that, in practice, deadlines for the reporting of list of assets and open derivatives will shorten significantly to fit the financial stability purposes. We believe this is excessive. | Please see answer to comment 143. |
| 148. | Insurance Europe | Technical Annex A - AS-D2O-S.08.01.h | Insurers have to fulfill two different reporting obligations with respect to derivatives, which are due to EMIR and Solvency II. EMIR requires daily transaction data reporting whereas Solvency II asks for | Please see answer to comment 143. |
quarterly and/or annual information on stock positions. Since both reporting obligations contain almost similar information but have to be provided in a different format, it would be beneficial in the medium term if Solvency II-data could directly be derived from EMIR-transaction data.

| 149. | CFO Forum and CRO Forum | Technical Annex A - AS-D3-S.09.01.h | 1. Cell C0100 - Net gains and losses: The definition of gains and losses as per LOG guidance is: "The gains and losses are calculated as the difference between selling or maturity value and the value according to article 75 of Directive 2009/138/EC at the end of the prior reporting year end (or, in case of assets acquired during the reporting period, the acquisition value)." This is not in line with the net gains and losses calculation under IFRS and hence, additional effort is required to acquire this information. We ask EIOPA to consider aligning the net gains and losses calculation with IFRS to achieve consistency. We believe that the difference in definition introduces significant complexity to the process and question its real value given that unrealized gains are now also being reported.

2. Solvency II regulations are devised to monitor solvency positions. All regulations in the directive and in the delegated acts are about positions, not income/expense flows or performance. However, we understand that for supervisory purposes, some information on income/expense flows is helpful. To enable the reporting of performance information under Solvency II, EIOPA will have to use existing standards, or devise its own standards.

We believe that the template and standards that EIOPA proposes for the reporting of investment income/gains and losses is not in line with industry standards (or GAAP P&L standards) for investment asset performance reporting. EIOPA does not explain the supervisory purpose this deviation serves. Investment asset performance measurement is a key component of the insurance industry activities, and reporting has been developed extensively by the industry. The principles EIOPA uses for investment performance reporting deviate from the industry standard, without explanation of the supervisory purposes that this serves. As such, we would propose to report investment performance on an accrual basis, Template S.09.01 has been deleted from the final Guidelines. See also answer to comment 1. Please see answers to comment of CP-14/052.
instead of the principles EIOPA formulates, unless EIOPA can provide the purpose of the deviations and a set of standards that achieve the stated purpose.

| 150. Deloitte Touche Tohmatsu | Technical Annex A - AS-D3-S.09.01.h | Reporting templates such as S.09.01 (old AS-D3) are required quarterly for financial stability purposes and only annually for the supervisory reporting. We believe this is disproportionate. |

| 151. Insurance Europe | Technical Annex A - AS-D3-S.09.01.h | Solvency II regulations are devised to monitor solvency positions. All regulations in the directive and in the delegated acts are about positions, not flows or performance. We understand that for supervisory purposes, some information on flows is helpful. To enable the reporting of performance information under Solvency II, EIOPA will have to use existing standards, or devise its own standards.

Solvency II regulations are devised to monitor solvency positions. All regulations in the directive and in the delegated acts are about positions, not flows or performance. We understand that for supervisory purposes, some information on flows is helpful. To enable the reporting of performance information under Solvency II, EIOPA will have to use existing standards, or devise its own standards.

The template and standards EIOPA proposes for the reporting of investment income/gains and losses is not in line with industry standards (or GAAP P&L standards) for investment asset performance reporting. EIOPA does not explain the supervisory purpose this deviation serves.

The template and standards EIOPA proposes for the reporting of investment income/gains and losses is not in line with industry standards (or GAAP P&L standards) for investment asset performance reporting. EIOPA does not explain the supervisory purpose this deviation serves.

Investment asset performance measurement is a key component of the insurance industry activities. Investment asset performance measurement and reporting is developed extensively by the industry. The principles EIOPA uses for investment performance reporting deviate from the industry practice, without explanation of the supervisory purposes that this serves.

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Also, the EIOPA standards contain errors. All previous three versions of this specific template contained errors, and in the current consultation version, this has not been repaired (changed but not repaired).

Also, the EIOPA standards contain errors. All previous three versions of this specific template contained errors, and in the current consultation version, this has not been repaired (changed but not repaired).

We propose to report investment performance on an accrual basis,
Instead of the principles EIOPA formulates. EIOPA performance reports will be used as and when EIOPA reveals the purpose of the deviation and issues a set of standards without errors, in line with the stated purpose.

Furthermore, this template elicits the following comments:

- **EIOPA should clarify whether this template should be completed on a year to date basis or in a discrete manner**

- **Cell C0100 - Net gains and losses: Definition of gains and losses as per LOG guidance is;**
  
  "The gains and losses are calculated as the difference between selling or maturity value and the value according to article 75 of Directive 2009/138/EC at the end of the prior reporting year end (or, in case of assets acquired during the reporting period, the acquisition value)."

  This is not in line with the net gains and losses calculation under IFRS and hence, additional effort is required to acquire this information. We ask EIOPA to align net gains and losses calculation with under IFRS to achieve consistency. We believe that the different definition introduces significant complexity into the process and question its real value given that unrealised gains are now also being reported.

- **C0100 and C0110: EIOPA must clarify whether loss amounts should be filled out in negative or whether the formula accounts for the signs.**

- **C0070 and C0080 Dividends and interest. Should the amounts disclosed for dividends and interest be shown gross or net of tax?**

- **Definitions need to be improved - ought to refer to income "receivable" during the year; or income "received and accrued at the period end, less amounts accrued during the previous period."**

- **There are errors in the current version of the templates:**
  - The LOG file still partially refers to cash based reporting.
- Dividend/Interest/Rent received instead of earned (this includes purchased dividend/interest/rent)
- LOG refers to accruals at the end of the reporting period instead of "Accrual accounting"
- (unnecessary) Gains and losses are split in realized and unrealized. This distinction cannot be related to supervisory purposes as all assets are valued according to article 75 of directive 2009/138/EC (market value), where the distinction between the two is only relevant for illiquid investments.

All previous three versions of this template have contained errors of this type and magnitude. We do not see the merit in investing in reports that provide no relevant performance information at all.

| 152. CFO Forum and CRO Forum | Technical Annex A - AS-D5-S.10.01.h | 1. As stated in the regulations, this template is to contain an "item-by-item list of securities lending transactions and repurchase agreements/contracts" that existed during the reporting period. The QRT however does not contain any attributes that would identify an individual transaction/agreement/contract (or security), such as an ID Code. Consequently, where loans/repo’s within Ring Fenced Funds are the same type (Asset Category), are made to the same Counterparty and have the same start dates, durations etc., should these positions be aggregated?

2. We understand that during EIOPA’s recent Stakeholder meeting (held on 22nd of January 2015), a question on the scope of S.10.01 (Securities lending and repos ) template was raised. Can EIOPA confirm the following:
   - The requirement in this template is to report only securities lending and repo contracts open at the end of the reporting period.
   - If the template captures both open and closed contracts, for quarterly reporting (financial stability purpose reporting) of closed contract, the requirement is to report only contracts closed during the quarter rather than cumulative position (e.g. in Q2 we should report the contract closed in Q2 only and contracts closed during Q1

Please see comment 1.
<table>
<thead>
<tr>
<th></th>
<th>Deloitte Touche Tohmatsu</th>
<th>Technical Annex A - AS-D5-S.10.01.h</th>
<th>Reporting templates such as S.10.01 (old AS-D5) are required quarterly for financial stability purposes and only annually for the supervisory reporting. We believe this is disproportionate.</th>
<th>Template S.10.01 has been deleted from the final Guidelines. See also answer to comment 1. Please see answers to comment of CP-14/052.</th>
</tr>
</thead>
<tbody>
<tr>
<td>153.</td>
<td>Insurance Europe</td>
<td>Technical Annex A - AS-D5-S.10.01.h</td>
<td>Following analysis of the updated LOGs and templates, the following questions arise:</td>
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<td>□ In A8 (C0100) &quot;Collateral type&quot;, does &quot;the most significant category&quot; mean the category with the largest weight in the collateral pool? What if collateral is 50% cash and 50% government bonds? In A6 (C0120) &quot;position in the contract&quot;, does &quot;amount&quot; refer to the market value of the asset? (e.g. in the case of a buyer in the repo the buyer receives an asset in exchange for cash so amount should actually reflect the market value of the asset that the buyer receives) □ Does &quot;inception of the contract&quot; or &quot;start date&quot; mean trade or settlement date? □ It is not clear whether this quarterly template should be completed on a discrete quarter or year-to-date basis like template S.05. Could EIOPA please clarify as there is no guidance on this? As stated in the regulations, this template is to contain an &quot;item-by-item list of securities lending transactions and repurchase agreements/contracts&quot; that existed during the reporting period. The QRT however does not contain any attributes that would identify an individual transaction/agreement/contract (or security), such as an ID Code. Consequently, where loans/repo’s within Ring Fenced Funds are the same type (Asset Category), are made to the same Counterparty and have the same start dates, durations etc., should these positions be aggregated?</td>
<td>Please see answers to comment of CP-14/052.</td>
</tr>
</tbody>
</table>
1. There is no LOG file description for R0230/C0010 until C0040. It is therefore unclear how the cell is to be completed. We suggest a cross-reference (CT) may be missing to S.24.01. E.g. R0230/C0010 until C0040 = S.24.01.b.R0060/C0370 until C0400

Further examples where a cross-reference (CT) would be helpful are: R0590/C0010; R0270/C0010; R0580/C0010; R0590/C0010; R0600/C0010; R0610/C0010; R0700/C0010; R0710/C0010; R0740/C0010.

2. In several cases formulae have been deleted from the templates. Some formulae are self-explanatory. However in several cases, additional guidance would be helpful, especially when it comes to ratios.

Examples: R0560/C0010 until C0040 (ratio eligible OF); R0570/C0010 until C0040 (ratio eligible OF); R0630/C0010 (figure “solvency ratio”); R0670/C0010 (figure “solvency ratio”).

3. Some cells are not included in the template, however they are mentioned in the validation sheet: R0730/C0020; R0760/C0020; R0790/C0020.

4. S23.01.f and S23.01g are identical.

Is it a correct assumption that these two QRTs are identical. If yes, it is possible to delete one of them and state that there is only one QRT for the Own Funds, which should be disclosed quarterly (and thus also Annually).

Is it possible to split the QRT in a default QRT (when method 1 is used and only EEA business is written) and a separate QRT for groups that do not follow the default method (method 2 or a combination and or outside EEA). This split reduces for companies following default Method 1 the number of QRT fields. (e.g. row 45D, 45E, and 53B)

Please see answers to CP-14/052 and the prudential LOG files.
The fact to require a reconciliation of differences between accounting valuation and valuation according to article 75 of Directive 2009/138/EC is a bit odd and goes beyond the existing legislation. Indeed, Solvency II and accounting valuations are not aimed to lead to identical balance sheet amounts. Therefore this part of the sentence should be removed.

**R0240:** We disagree with the fact that it is implied that participations in “other financial undertakings, including non-regulated undertakings carrying out financial activities” should always be deducted from own funds at group level, whereas this is normally part of the application of both method 1 and method 2 and it should not be performed twice.

Following Article 228 of the Directive, the deduction of a participation should only happen on a case-by-case basis, following a decision of the group supervisor. Another example of potential deduction is found in Article 229 where in case of non-availability of the relevant information for a related undertaking, the eligible own funds of the group have to be adjusted for the value of the participation in that related undertaking.

Since those cases are well defined and limited, this has to be made clearer in the template and the LOG as well as in the naming of the reconciliation reserve at group level are only limited cases whereas they seem to be systematic with such naming.

The description of A54A is confusing. We believe that reference should be made to group consolidated SCR instead of Group SCR in order to align the wording with the Delegated Act.

**R0220/C0020** is described in the LOG but we believe this inclusion might be a mistake since the own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds should be considered as a whole and not with regards to Tier 1 unrestricted own funds in particular. This mistake did not exist in the previous versions of QRTs.

Please see answers to comment 405 of CP-14/052.
Lastly, we list below some typos and errors we have detected, but please note we do not believe this list to be necessarily exhaustive:

- References to cells A12 and B12 should be replaced by A12A and B12A.
- For cell B603 ‘tier 1 restricted’ should be replaced by ‘tier 1 unrestricted’ in the right side column.
- For cells A605 to E605 the description is the same for all cells, whereas we believe it should be differentiated.
- References to cells A20 to D20 in the LOG should be corrected to A21 to D21 in order to be consistent with the template.
- Cell R0450/C0030 (C45D) is meant to be used for ‘Tier 1 – unrestricted’ as per the LOG, while this should be ‘Tier 1 – restricted’ since Tier 1 unrestricted is already reported in R0450/C0020 (both middle and right columns of the LOG).
- In the LOG of R0570/C0020 (B51A), in the centre column, it should be written “Tier 1 unrestricted”.
- In the LOG for cell R0570/C0030 (C51A) states ‘tier 1 unrestricted’ this should be ‘tier 1 restricted’ (right side column).
- Reference is made to cell B29 in the LOG instead of B29A (in the template itself).

We wonder why there is a specific focus made on subordinated liabilities whereas no precision is brought on that in the Guidelines and we see no reason to have this specific focus since in any case subordinated liabilities are reported as part of the more detailed templates on own funds both at individual and group level.

<table>
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<tr>
<td>The industry still supports an SCR calculation on an annual basis. The calculation of cash flows on a more than annual frequency would be very burdensome and time consuming. Furthermore, the calculation of a group SCR on a quarterly basis requires the ultimate participating undertaking not only to collect consolidated data from all related undertakings of the group on a quarterly basis. It also</td>
<td></td>
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</table>
requires all related undertakings of the group to calculate a solo SCR and a solo MCR on a quarterly basis. The reason for that is that those data are required for group solvency calculations (i.e. to calculate the group SCR based on consolidated accounts, the contribution of non-available own funds or the group SCR floor).

158. Deloitte Touche Tohmatsu

| Reporting templates such as S.31.01 (old Re-J3) are required quarterly for financial stability purposes and only annually for the supervisory reporting. We believe this is disproportionate. |

159. Insurance Europe

| The following questions and comments arise: |
| □ C0190 Country of residency: the log remains silent as to what country should be indicated for branches – is it the country of the branch or is it the country of the subsidiary the branch is attached to? |
| □ Information on reinsurers are broken out of the main table into a separate table (C0150-C0240), however in the main table only the code of reinsurer (C0040) is included connecting to C0150, but since this code is not guaranteed to be unique the type of code has to be included in the code but it is missing in the main table. The setup is correct in same report regarding Collateral provider (C0120&C0130) |
| □ C0230: According to the LOG file the new requirement “Credit quality step” might only be required for the standard formula calculation (“Identify the credit quality step attributed to the reinsurer. The credit quality step shall reflect any readjustments to the credit quality made internally by the undertakings that use the standard formula.”). However, we have noted that EIOPA’s document on main changes refers to both standard formula users and internal model users. As such, we would request that EIOPA clarifies its intention and the situation within which this will apply. |
| □ Note should be taken that, the log on 31.01 does not provide information regarding cells C0010, C0020 and C0030. This should be amended. |

160. CFO Forum

| 1. This template is likely to be onerous for insurers and reinsurers to |
and CRO Forum - Lapses-S.41.01.h complete, and there are likely to be challenges in obtaining the information. For example, the number of policies as defined in the Log Files for cell C0010 does not consider the situation of reinsurers. Reinsurers will be exposed to the lapses of the underlying policyholders, however due to data feeds of information, there may be a time lag compared to that of the underlying ceding company and the data being provided in a bulk format, which may contain less detailed information compared to the primary insurer’s information. Given the diversity of products that a reinsurer is exposed to (across many ceding companies), the lapse rate in one quarter could be different to the next, and will not necessarily be an indication of financial stability (in particular if to be provided in respect of lapses of the underlying portfolio).

161. RSA Insurance Group plc Technical Annex A - Lapses-S.41.01.h We believe this ought to apply only to direct business, as reinsurance business is not likely to lapse. Further, non-life annuities also ought to be excluded, again because they are not likely to lapse.

162. CFO Forum and CRO Forum Technical Annex A - BI-S.01.02.i 1. Row reference C0010/R0080 is used inconsistently between different template versions ("Reporting submission date" vs. "Language of reporting"). Please see answer to comment 113.

163. Insurance Europe Technical Annex A - BI-S.01.02.i There are inconsistencies in the LOGs and between QRTs and LOGs: Cell C0010/R0080 is labelled as:
S.01.02.i (Financial Stability templates) = Language of reporting
Whereas the equivalent LOG files state "Reporting submission date" for the Financial Stability templates. Please see answer to comment 113.

164. CFO Forum and CRO Forum Technical Annex A - Re-J2_basic-S.30.03.i 1. Information requirements on outgoing reinsurance arrangements seem to have been increased, in particular regarding reinstatements and the different amounts of commissions (see C0260 - C0350). This greatly increases the complexity of the reporting on reinsurance without clear benefit. Consistent with other figures reported under Solvency II, best estimates should be sufficient rather than ask for minimum and maximums in addition (which are not comparable between different reinsurance arrangements, e.g. if they are defined depending on a loss ratio). We would therefore recommend that EIOPA makes the reporting requirements no more complex than

Please see answer to comment 131.
necessary by adding figures that do not serve a specific purpose as defined in the DAs / cannot be interpreted in a meaningful way.

2. In the set of QRTs issued in 2012, the LOG accompanying J1 and J2 stated that a resubmission was required at half or full year if the actual cover was different to what was expected in the initial template. This instruction has been removed in the current consultation and replaced by general guidance in article 4 in CP-14/052. This is detailed below.

Article 4
Re-submission of data
The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor.

We would request that EIOPA clarify whether they would expect every forward looking QRT to be continuously monitored and resubmitted out of cycle as soon as a material item changes, for example the renewal of CAT cover.

The following questions and comments arise:

C0070 Line of business: As the market use sometimes reinsurance treaties to cover more than one year where the price conditions are fixed upfront for the period, it might be beneficial to have another choice in the selection labelled “multiyear” documented in the log to cover this possibility.

Please see answer to comment 131.

1. In the set of QRTs issued in 2012, the LOG accompanying J1 and J2 stated that a resubmission was required at half or full year if the actual cover was different to what was expected in the initial template. This instruction has been removed in the current consultation and replaced by general guidance in article 4 in CP-14/052. This is detailed below.

Please see answer to comment 133.
| Article 4  
| Re-submission of data  
The insurance and reinsurance undertakings and the participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies shall re-submit as soon as practicable the information referred to in this Regulation when the information reported has materially changed after the last submission to national supervisory authorities or group supervisor.  

We would request that EIOPA clarify whether they would expect every forward looking QRT to be continuously monitored and resubmitted out of cycle as soon as a material item changes, for example the renewal of CAT cover.  

| 167. Insurance Europe | Technical Annex A - Duration L-S_38.01.i | Although the calculation of the duration is not complicated, the information may not be available in database therefore undertakings would need to either modify their database or encode this information manually, both solution increasing implementation costs | Noted.  

| 168. AMICE | Technical Annex A - PL sharing-S.40.01.i | The instructions in the log file state that the average profit (or loss) sharing is the sum of "with-profit" allocated to policy holders...".  
"With-profit" is a UK concept that is not straightforward to transpose in other countries with different products and concepts.  

As underlined by EIOPA, the goal of the financial stability reporting is to display how profits and losses are apportioned between policyholders and insurers. However, the instructions in the LoG document do not refer to the share of profits and losses going to insurers but rather focus on the share that goes to policyholders. Moreover, the content of the label "Instructions" is contradictory with the label "Item": The first one (i.e "Instructions") requests the policyholder’s share in profit and loss whereas the second one (i.e "Item") asks for the own fund’s share in the profit and loss.  

The log file has been updated with clearer instructions taking this comment into consideration.  

111/115
Another issue is that the split of the profit and loss between insurers and policyholders is different before or after taxes. Further clarification is needed as to level at which the split is required. Is the split of profit and loss only looking at the “financial result” or it is also looking at the “technical result”?

In the UK, unit-linked contracts are normally excluded from “with profit” business. However, if we follow that path and exclude unit-linked business, we will then exclude the technical result from the analysis.

Can EIOPA provide clarification as to whether this template requires the remuneration on the contracts (i.e. interest rate + discretionary benefits - bonuses - gross of taxes) allocated to the policyholders divided by the provisions (Statutory or Solvency II? – statutory would be our guess) on with-profit business (to be classified as Line of Business 30 - Insurance with profit participation - in Annex I Delegated Acts) or is it also being extended to other Life Insurance Obligations?

<p>| 169. | Actuarial Association of Europe (AAE) Technical Annex B - S_01_01_h_i_LOG | For a number of forms (e.g. for C0010/R0820 and C0010/R0830), they would not be completed as an insurer does not write life insurance business. This should be an allowable option. | Please see answers to CP-14/052 and the prudential LOG files. |
| 170. | Actuarial Association of Europe (AAE) Technical Annex B - S_01_01_h_i_LOG | For a number of forms (e.g. for C0010/R0820 and C0010/R0830), they would not be completed as an insurer does not write life insurance business. This should be an allowable option. | Please see answers to CP-14/052 and the prudential LOG files. |
| 171. | RSA Insurance Group plc Technical Annex B - S_30_03_d_i_LOG | There are no fields here regarding currency; we therefore presume that all amounts are to be reported in the Group reporting currency, rather than underlying treaty currencies. | Please see answer to comment 131. |
| 172. | RSA Insurance Group plc Technical Annex B - S_30_04_d_i_LOG | There are no fields here regarding currency; we therefore presume that all amounts are to be reported in the Group reporting currency, rather than underlying treaty currencies. | Please see answer to comment 133. |
| 173. | Actuarial Association of Europe (AAE) Technical Annex B - S_38_01_d_i_LOG | From EIOPA’s feedback on previous consultations, we understand that the intention of asking for this information is to allow the regulators to measure interest rate risk. Therefore, products that | Agree. Log file updated. |</p>
<table>
<thead>
<tr>
<th>Comment Number</th>
<th>Commenter</th>
<th>Reference</th>
<th>Text</th>
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<tbody>
<tr>
<td>174.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_38_01_d_i_LOG</td>
<td>From EIOPA's feedback on previous consultations, we understand that the intention of asking for this information is to allow the regulators to measure interest rate risk. Therefore, products that carry negligible or no interest rate risk, such as unit linked products without investment guarantees, should be excluded in order not to distort the information. Please see answer to comment 173.</td>
</tr>
<tr>
<td>175.</td>
<td>Deloitte Touche Tohmatsu</td>
<td>Technical Annex B - S_38_01_d_i_LOG</td>
<td>We understand that intention of this template is to provide the regulator a measure interest rate risk. Therefore, products that carry insignificant or no interest rate risk, such as unit linked products without investment guarantees, should be excluded or these will distort the information requested by the regulator. Please see answer to comment 173.</td>
</tr>
<tr>
<td>176.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_40_01_d_i_LOG</td>
<td>Should the information in this form be split by Ring Fenced Fund? For a firm with a small proportion of with profit business, showing the figures at an overall level could give a figure close to zero even though there may be a material allocation of profit to the policyholders within the ring fenced fund. No RFF split is required.</td>
</tr>
<tr>
<td>177.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_40_01_d_i_LOG</td>
<td>Should the information in this form be split by Ring Fenced Fund? For a firm with a small proportion of with profit business, showing the figures at an overall level could give a figure close to zero even though there may be a material allocation of profit to the policyholders within the ring fenced fund. Please see comment 176.</td>
</tr>
<tr>
<td>178.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_39_01_c_h_LOG</td>
<td>Many firms currently only produce local statutory results on an annual basis. (This is particularly the case for subsidiaries where more frequent results are required to be produced on the basis of another jurisdiction.) Therefore we would suggest either (a) this form only be required annually or (b) it should be possible to provide a profit &amp; loss figure on a regulatory basis. The log file is updated to allow an estimation.</td>
</tr>
<tr>
<td>179.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_39_01_c_h_LOG</td>
<td>Many firms currently only produce local statutory results on an annual basis. (This is particularly the case for subsidiaries where more frequent results are required to be produced on the basis of another jurisdiction.) Therefore we would suggest either (a) this form only be required annually or (b) it should be possible to provide a profit &amp; loss figure on a regulatory basis. The log file is updated to allow an estimation.</td>
</tr>
</tbody>
</table>
180. Actuarial Association of Europe (AAE) | Technical Annex B - S_06_03_c_h_LOG | The S.06.03h LOG file specifically refers to a threshold for completing this template. This threshold is measured as the ratio between item C0010/R0180 of S.02.01 plus collective investments undertakings included in item C0010/R0220 of S.02.01 plus collective investments undertakings included in item C0010/R0090 and the sum of item C0010/R0070 and C0010/RC0220 of S.02.01. However, these references cells do not exist in the S.02.01 financial stability version of the template. It might be clearer if the LOG file referred back to the S.02.01e/j templates instead. Also the LOG file only refers to Groups when it discusses this threshold but presumably the threshold also applies to solo undertakings? | Please see answer to comment 1. |

181. Actuarial Association of Europe (AAE) | Technical Annex B - S_06_03_c_h_LOG | The S.06.03h LOG file specifically refers to a threshold for completing this template. This threshold is measured as the ratio between item C0010/R0180 of S.02.01 plus collective investments undertakings included in item C0010/R0220 of S.02.01 plus collective investments undertakings included in item C0010/R0090 and the sum of item C0010/R0070 and C0010/RC0220 of S.02.01. However, these references cells do not exist in the S.02.01 financial stability version of the template. It might be clearer if the LOG file referred back to the S.02.01e/j templates instead. Also the LOG file only refers to Groups when it discusses this threshold but presumably the threshold also applies to solo undertakings? | Please see answer to comment 1. |

182. Actuarial Association of Europe (AAE) | Technical Annex B - S_09_01_c_h_LOG | The additional workload in producing this form quarterly is substantial. | Please see answer to comment 117. |

183. Actuarial Association of Europe (AAE) | Technical Annex B - S_09_01_c_h_LOG | The additional workload in producing this form quarterly is substantial. | Please see answer to comment 182. |

184. Actuarial Association of Europe (AAE) | Technical Annex B - S_10_01_c_h_LOG | The additional workload in producing this form quarterly is substantial. | Please see answer to comment 119. |

185. Actuarial Association of Europe (AAE) | Technical Annex B - S_10_01_c_h_LOG | The additional workload in producing this form quarterly is substantial. | Please see answer to comment 184. |

186. Actuarial Association of Europe (AAE) | Technical Annex B | Should all policies be included in the number of life contracts at the Log file is updated. |
<table>
<thead>
<tr>
<th>Comment Number</th>
<th>Author/Reference</th>
<th>Description</th>
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<tbody>
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<td>187.</td>
<td>Actuarial Association of Europe (AAE)</td>
<td>Technical Annex B - S_41_01_c_h_LOG</td>
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<td>188.</td>
<td>Deloitte Touche Tohmatsu</td>
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</tr>
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