

**Comments Template on  
CP9 – GR - Reporting**

**Deadline  
20 January 2012  
12:00 CET**

Name of Company:	ILAG	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, <u>in Word Format</u>, to <a href="mailto:cp009@eiopa.europa.eu">cp009@eiopa.europa.eu</a>. Our IT tool does not allow processing of any other formats.</b></p> <p>The numbering of the paragraphs refers to this Consultation Paper.</p>		
<b>Reference</b>	<b>Comment</b>	
General Comment	<p>ILAG is a trade body representing members from the Life Assurance and Wealth Management industries in the UK.</p> <p>ILAG members share and develop their practical experiences and expertise, applying this practitioner knowledge to the development of their businesses, both individually and collectively, for the benefit of members and their customers.</p> <p>ILAG members include:</p>	

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AXA Wealth	Met Life UK
Barclays Wealth	Metropolitan Police Friendly Society Ltd
Barnett Waddingham	MGM Advantage
Canada Life Limited	Mazars
Capita Life and Pensions Services	Oxford Actuaries and Consultants plc
Co-operative Financial Services	Pacific Life Re
Defaqto	Partnership Assurance
Deloitte LLP	Phoenix Group
Ecclesiastical Insurance Group	Pinsent Masons
Ernst & Young	PricewaterhouseCoopers
Family Investments	Reliance Mutual
Fil Life Insurance Limited	RGA
Friends Life	Royal London Group
General Reinsurance (London Branch)	Sanlam Life & Pensions
Hannover Life Re (UK) Ltd	SCOR Global UK Limited.
HSBC Bank Plc	Skandia UK
Just Retirement Limited	Suffolk Life
HCL Insurance BPO Services Limited	Sun Life Assurance Company of Canada
KPMG	Swiss Re Europe SA (UK Branch)
Logica	The Children's Mutual
London & Colonial Assurance PLC	Towers Watson
LV=	Wesleyan Assurance Society
Milliman	Zurich
<b>Associate Members</b>	
AKG Actuaries and Consultants Ltd	
Steve Dixon Consultants and Actuaries	
McCurrach Financial Services	
Meteor Asset Management	
NMG Financial Services Consulting Limited	

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State Street Investor Services

ILAG welcomes the opportunity to respond to this consultation, and our comments on the specific questions within the proposed draft guidance are set out below.

We have three significant concerns, outlined below, which lead us to the opinion that EIOPA should not finalise the Guidelines in their current form.

***Timing of consultation***

The stated intention of the Guidelines (paragraph 3.3) is to specify 'the minimum content of selected sections of the reports, **to the extent that further clarification and detail to the delegated acts are necessary**'. It is not possible to comment effectively on them without knowledge of the proposals set out in the delegated acts.

The delegated acts have not been published and are not expected to be published prior to the finalisation of the comment period. In practice selected stakeholders have been pre-consulted on working drafts of the delegated acts and others may have informally been provided access to them. However, some stakeholders may not have had access to the draft delegated acts. This consultation will elicit responses from stakeholders with a differing degree of knowledge of the context in which the proposals are made which may make it hard for EIOPA to assess them effectively.

It is inappropriate for the only opportunity for stakeholders to comment on these proposals to be before the delegated acts are published. As a result, if EIOPA plans to issue Guidelines in this area, we recommend that EIOPA re-consults on its proposals following publication of the delegated acts.

***Need for Guidelines***

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The guidelines generally set out proposals for additional disclosures to be included in the SFCR and RSR rather than providing guidance on the interpretation of the requirements of the delegated acts. Given the obligation (set out in Article 16(3) of the EIOPA regulation) on insurers to make ‘every effort’ to comply with guidelines it would appear that these guidelines will become de facto requirements (as it would appear hard to argue that following ‘every effort’ it would not be possible to make the specified disclosures).

It would be helpful for preparers if all requirements for the preparation of the SFCR and RSR were contained in a single place. Most of the guidelines in the CP are no different in their nature from the requirements in the [draft] delegated acts. There would be no reason why these matters could not have been included in the [draft] delegated acts had it been felt that they represented items that should be included in the SFCR and RSR.

If EIOPA believes the matters included in this CP are appropriate for inclusion in the SFCR and RSR then we believe the appropriate course of action is for EIOPA to seek to get these matters included in the delegated acts. We would see the purpose of any Guidelines to be to provide guidance on the interpretation of the delegated acts rather than to stipulate additional disclosures over and above those included in the delegated acts.

***Proportionality***

The principle of proportionality should be examined further, for example:

- from the view of avoiding duplicate reporting at Group and subsidiary level;
- quarterly reporting for all companies feels excessive particularly if there are no material changes;
- the level of public disclosure at times feels excessive and sometimes suggests disclosing confidential material;
- further consideration of the level of detail needed in the more onerous templates such as the ‘Variation analysis’.

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3.3.	It is not possible to comment effectively on these guidelines without sight of the proposals in the delegated acts.	
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3.10.	Difficult to comment without seeing Level 3 guidelines	
3.11.	From a proportionality perspective, is this information required at subsidiary level?	
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**Comments Template on  
CP9 – GR - Reporting**

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**Comments Template on  
CP9 – GR - Reporting**

**Deadline  
20 January 2012  
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**Comments Template on  
CP9 – GR - Reporting**

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4.15.	This is Valuation guidance on assets and liabilities and does not belong here as it is not a disclosure or reporting issue.	
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4.31.		
4.32.	We understand why assets and liabilities are disclosed, but not revenues and profit and loss.	
4.33.		
4.34.		
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4.36.	Volume of information might not be helpful with deferred tax assets not recognised in the balance sheet.	
4.37.	This point is too detailed. Additionally it is not mentioned in the Guideline.	
4.38.		
4.39.	Unintended consequences/ négative connotations may arise. Everyone uses simplifications and it is not clear why these should be publically disclosable as the benefit to any investor would be far outweighed by unnecessary concern to the average man who does not fully understand standard accounting practices. Disclosure of simplifications used to regulators is appropriate. Again contract boundaries will be applied by everyone and there is no benefit to investors in public disclosure of this fact.	
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4.41.	This is Valuation guidance on assets and liabilities and does not belong here as it is not a disclosure or reporting issue.	
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**Comments Template on  
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4.54.	It is not expected that evidence of recognition is required . Liabilities should be disclosed at all times, not just when evidenced.	
4.55.	Tax rate change – why should these be publically disclosable as the benefit to any investor would be far outweighed by unnecessary concern to the average man who does not fully understand standard accounting practices. Disclosure of rates used to regulators is appropriate.	
4.56.		
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4.61.	Delete wording from Point a) from ‘ and information on the structure..... to .....for ancillary own funds’ as this is not a narrative issue.	
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4.69.	Generic information is not useful. Anything else would breach confidentiality rules.	
4.70.	Do not agree that this will improve confidence as it will be meaningless to virtually all readers.	
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4.72.	From 4.72 onwards we are generally supportive; supervisors should ask what they need .	
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4.106.	We suggest this is amended to read 'Unless required by law or regulation, undertakings should not .....	
4.107.		
4.108.	Disagree, there would be too much repetition and we would see no substantive problem with cross referring being used where appropriate, where this is sensible in terms of minimising unnecessary duplication and proportionate to the issue being disclosed.	
4.109.		
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4.111.		