	Comments Template on Proposal for Quantitative Reporting Templates for Financial Stability Purposes	**Deadline 20 February 2012**
Name of Company:	RSA Insurance Group plc	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public

Please follow the following instructions for filling in the template:

- ⇨ Do **not** change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool
- ⇨ Leave the last column empty.
- ⇨ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty.
- ⇨ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.
  - o In spreadsheets & LOGs, certain cell number may seem like they are missing (ex : going directly from cell B1 to cell B3); this is normal, as they may refer to a previously existing cell that has been deleted during informal consultations, and cell numberings have not been changed for interal consistency purposes
  - o If your comment refers to multiple cells or paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other cells or paragraphs this also applies.
  - o If your comment refers to subparagraphs or specific cells within a group, please indicate this in the comment itself.

Please send the completed template, in Word Format, to

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The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the accompanying spreadsheets and LOGs.

Reference	Comment	
General Comment	RSA Insurance Group and its subsidiaries welcome the opportunity to respond to EIOPA's consultation on financial stability reporting. As part of our preparations for the introduction of Solvency II, the Group has undertaken a full dry-run of the proposed requirements for reporting and public disclosure. The comments made in this document are often based on the practical experiences of doing the dry-run during 2011. The entities covered by the exercise were: • RSA Insurance Group plc (consolidated Group) • Royal & Sun Alliance Insurance plc (UK) • Royal & Sun Alliance Reinsurance Ltd (UK) • The Marine Insurance Company Ltd (UK) • Sun Insurance Office Ltd (UK) • Codan Forsikring A/S (Denmark) • Trygg-Hansa Försäkrings AB (Sweden) • Forsikringsselskabet Privatsikring A/S (Denmark) • Holmia Livförsäkring AB (Sweden) • Sveland Sakförsäkringar AB (Sweden) • RSA Insurance Ireland Ltd (Irish Republic) • RSA Reinsurance Ireland Ltd (Irish Republic) • Link4 Towarzystwo Ubezpieczen Na Zycie SA (Poland) • AS Balta (Latvia) • Direct - Pojistovna AS (Czech Republic) • Lietuvos Draudimas (Lithuania) In addition, due to the need to gather consolidated data for the Group, our operations and branches around the world, in particular outside the EEA, were also involved to varying extents.	

	Summary of key points: • We agree with the desire to align as far as possible the reporting with the proposals in CP-11/009 for Solvency II reporting and public disclosure. • We also support the proposal to phase in eligibility requirements for undertakings in order to promote stability from year to year. • We are concerned about the proposed increased frequency in reporting. We believe this needs to be justified, especially since the risk profile of an insurer is very different from that of (say) a bank. Any reporting over and above that already proposed in CP-11/009 needs to be accompanied by very clear rationale. • We do not believe that the SCR is a good indicator of financial stability at all. In our experience, the SCR is a stable number; volatility actually occurs in the eligible own funds number (information already contained in form OF-B1A/Q) and hence the SCR coverage ratio. Recalculation of the SCR more frequently than annually will in general not be a valuable exercise for either undertakings or supervisors. • In order for firms to complete the forms in a meaningful manner, firms have to be given adequate time to compile the data and to go through internal governance to ensure their accuracy. The current proposed timeframes set out in the draft Delegated Act are inadequate. Hence, the proposal for group-level financial stability reporting to be submitted along with solo, not group, reporting is very onerous. There needs to be a recognition that groups require additional time to consolidate responses. • We are of the view that the rationale for the additional reporting is flawed and is lacking a full analysis of the nature of risks within a general insurance business compared to other financial businesses. The risks that a general insurer runs do not vary significantly from quarter to quarter, meaning the costs of such additional, accelerated reporting are disproportionate given the little benefit expected to be yielded. • We are concerned that there is no assessment of the potential costs of implementing these proposals or assessment of the potential benefits. The requirements are onerous, will be	

	costly to produce and will therefore have an adverse impact on consumers. There is also a risk that it will distort competition within individual markets: some firms will have to meet the additional costs of this reporting; whereas other comparable firms will not as they are either not large enough or part of a large enough Group. Further, there is no articulation of how these proposals will actually aid financial stability in Europe. • It is not immediately clear how financial stability will be improved by enforcing detailed quarterly reporting, or how such reporting will actually enable supervisors to enhance financial stability. There appears to be a greater risk of being unable to spot risks to financial stability due to collecting too much data and not being able to see the key trends as a result. The comments made in RSA Insurance Group's response to EIOPA-CP-11/009 should be read in conjunction with this submission, as a number of the detailed points about specific disclosure items in the QRT are relevant, particularly those on investment data.	
3.1	We request clarification on the definition of "balance sheet total": it could refer to the excess of assets over liabilities, or to gross assets. We presume it refers to the former. Clarification is also needed on the valuation method to be used: the same basis as for Solvency II; the statutory accounting basis; or perhaps another method altogether. We presume the Solvency II valuation method is to be used.	
3.2		
3.3	We agree that regulatory stability should be promoted and support the idea of phasing in/out reporting requirements for undertakings.	
3.4		
3.5		
3.6		
3.7	We agree that reporting deadlines ought to be consistent with those for Solvency II reporting. We do not agree, however, that the solo entity reporting deadlines should be followed by all reporters, including groups: **for group-level reports, group reporting deadlines (solo + 6 weeks as**	

	per the draft Delegated Act) should be adopted instead.	
3.8		
4.1		
4.2		
4.3	Whilst not necessarily agreeing with the detail of the requirements, it is important that the financial stability information is consistent with (proposed) Solvency II QRTs as much as possible to reduce the burden on undertakings.	
4.4		
4.5		
6.1		
6.2		
6.3		
6.4		
6.5		
6.6		
6.7	We believe ad hoc reporting would actually be less burdensome for undertakings, as data would not be required on a regular basis. Ad hoc reporting does not contradict convergence and harmonisation: there is nothing in the Solvency II regime that prevents supervisors from requesting further information from individual undertakings if considered necessary; ad hoc reporting is simply part of that.	
6.8		
6.9		
6.10		
6.11		

6.12		
6.13		
6.14		
6.15	Proportionality ought not to be judged simply by the effect had on small or medium insurers: the effect on large insurers and groups should also be considered. The proposal to extend the scope of certain forms to groups and increase the frequency of others, despite the risk profile of insurers generally not necessitating such measures, would appear to be very much disproportionate.	
6.16	We agree that current reporting is not harmonised; however this aim is already being achieved with Solvency II reporting. There is nothing in this CP that actually changes that (apart from increasing the burden in certain areas).	
6.17		
6.18		
6.19		
6.20	**In our experience, the SCR is a stable number; volatility occurs in the eligible own funds number (information already contained in form OF-B1A/Q) and hence the SCR coverage ratio. Recalculation of the SCR more frequently than annually will in general not be a valuable exercise for either undertakings or supervisors. We therefore believe that the SCR is not a good indicator of financial stability.**	
6.21		
6.22		
6.23	This paragraph is very concerning: the assertion that capital requirements will be volatile needs to be proved before being made in a document like this. For most insurers, the risks are stable and generally well diversified. It is unclear why, for example, market risk should be volatile: market values may be volatile, but not risk.	
6.24		

6.25		
6.26		
6.27		
6.28	See 6.20 and 6.23 above. We believe there ought to be no quarterly calculation at all, simplified or otherwise: the information already contained in the existing proposals for OF-B1A/Q will provide more than sufficient data for this purpose, as well as on a quarterly basis.	
6.29		
6.30	More justification needs to be provided for an increase in reporting frequency: this paragraph is itself uncertain that such an increase will provide tangible supervisory benefits for monitoring financial stability ("could potentially"). The risks that a general insurer runs do not vary significantly from quarter to quarter. **We support the need to monitor undertakings for financial stability, but believe the proposals in EIOPA-CP-11/009 for quarterly Solvency SII reporting will provide more than sufficient information for national supervisors to monitor financial stability, with other data being sufficiently stable within the insurance industry to be reported annually.**	
7.1		
7.1 Q1	In our experience, the SCR is a stable number; volatility occurs in the eligible own funds number (information already contained in form OF-B1A/Q) and hence the SCR coverage ratio. Recalculation of the SCR more frequently than annually will in general not be a valuable exercise for either undertakings or supervisors. We therefore believe that the SCR is not a good indicator of financial stability. The Solvency II texts, as currently drafted, are explicit in saying that normally an SCR does not need to be calculated more than annually. We see no reason why there should be any requirement more onerous than those in the current texts: if this is sufficient for Solvency II, then it ought to be sufficient for other purposes also.	

7.1 Q2	If accounting numbers are extracted directly from publicly available accounts, without additional manipulation or alteration, then this should present a minimal burden for undertakings. Many undertakings do not produce “statutory” accounts each quarter, however, doing so only on an annual basis. Non-statutory or management accounts should be an acceptable alternative.	
7.1 Q3	We support the proposal to phase in/out the requirements for undertakings, thereby providing a more stable regulatory environment. It should be noted that if the reporting timeframes are based on those for solo undertakings, groups complying with the financial stability reporting requirements will incur a significant cost to entry by having to enhance their reporting processes to meet the required reporting timeframes. This may create a barrier to competition by not encouraging firms to compete and grow.	
7.1 Q4	It is important to assess the burden of these additional proposed requirements in combination with the new burden of the (already burdensome) Solvency II reporting requirements. Solvency II reporting already represents a significant increase from existing Solvency I reporting; this extends the costs even further. Also, by extending group reporting to yet more QRTs, non-EEA operations are also significantly impacted. One way to ensure the burden is not unnecessarily increased further is having consistent definitions between the SII QRTs and these templates. For instance, FS-A5 refers to “capital and reserves”; whereas QRTs OF-B1A/Q use other terms.	
7.1 Q5	The proposed financial reporting requirements give rise to forms Re-J2 coming into scope at Group level and forms Assets-D5 and Re-J3 increasing in frequency from annual to quarterly. We believe that it would be much more efficient and much less burdensome if undertakings were requested to produce such information (especially Re-J2) on an ad hoc basis by supervisors, rather than by way of regular reporting; indeed, we have a general preference for ad hoc reporting. The proposed reporting timeframes (as per solo undertakings) are unnecessarily burdensome and will significantly increase the costs of regulatory reporting.	

Technical Annex	Clarification is needed on the difference (if any) between the red-shaded and yellow-shaded cells in the Excel workbook. If the yellow-shaded cells denote changes to proposals under CP-11/009, there seems to be an error, as Re-J3 is required for groups under those proposals in any case (the worksheet erroneously states it is "not available"). We therefore presume there is no difference denoted by the shading.	
FS 1 - A1	This appears to be an issue primarily for life insurers whereby the policyholder takes cash out "on-demand" by lapsing a policy. This issue does not apply to non-life insurers as there is no option for policyholders or claimants to stipulate when claims are paid. Clarity is required on whether lapses should include automatically-processed renewals that do not renew. In particular, we believe the calculation ought to be stipulated, as there are various ways lapses – or retentions – can be calculated. For instance, clarity is needed over whether a contract covering a number of items is to be treated as one contract or many for this purpose, or how mid-term cancellations are to be treated, or how a contract written in July 2011 but renewed in August 2012 is to be treated. For non-life undertakings, acceptable simplifications can be made to Technical Provision calculations that mean full lapse data do not necessarily need to be collected in order to calculate a materially correct Technical Provision that allows for lapsing of contracts. We therefore suggest that this data be collected in respect of life insurance contracts only. The merit of calculating such numbers for financial stability purposes is questioned, however: for instance, 1% of contracts could account for 10% of premium income. Also, certain systems may record the replacement of the insured object as a cancellation and renewal (for example, change of car or house). In any of these instances, the lapse ratio will not paint a fairpicture.	
FS 1 – A2	See FS – A1 above.	
FS 1 – A3	Clarity needs to be provided on what "statutory" accounts means for a group. Many undertakings do not produce "statutory" accounts each quarter, only on an annual basis.	

	Non-statutory or management accounts should be an acceptable alternative.	
FS 1 – A4	See FS 1 – A3 above.	
FS 1 – A5	See FS 1 – A3 above.	
FS 1 – A6	This would appear to apply only to life undertakings. We believe a formula ought to be stipulated, to ensure consistency and comparability between undertakings; there would otherwise be scope for interpretation in the calculation. The “profit” (or loss) to be used here also needs to be specified – we presume this is to be the same used in cell A3 above.	
FS 1 – A7	We presume, having read the LOG, that “technical liabilities” and all liabilities to be considered here are technical provisions only. Clarification is needed if other liabilities are to be considered. On the assumption that only technical provisions are relevant here, we presume this simply refers to the weighted average of expected future cashflows. Clarification is required if this actually refers to something else.	
FS 1 – A8	See cell A7 above.	
FS 1 – A9	This cell does not appear in FS-1; however, extracts from forms SCR-B2A/B2C are proposed instead.	
Overview FS Needs - all tab	Clarification is needed on the difference (if any) between the red-shaded and yellow-shaded cells. If the yellow-shaded cells denote changes to proposals under CP-11/009, there seems to be an error, as Re-J3 is required for groups under those proposals in any case (the worksheet erroneously states it is “not available”). We therefore presume there is no difference denoted by the shading.	
Cover - A1Q- cell A1		
Cover - A1Q- cell A2		
Cover - A1Q- cell A3		
Cover - A1Q- cell A4		

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Cover - A1Q- cell A5		
Cover - A1Q- cell A6		
Cover - A1Q- cell A7		
Cover - A1Q- cell A8		
Cover - A1Q- cell A9		
Cover - A1Q- cell A10		
Cover - A1Q- cell A11		
Cover - A1Q- cell A12		
Cover - A1Q- cell B13		
Cover - A1Q- cell B14		
Cover - A1Q- cell B15		
Cover - A1Q- cell B16		
Cover - A1Q- cell D1		
Cover - A1Q- cell D2		
Cover - A1Q- cell D3		
Cover - A1Q- cell D4		
Cover - A1Q- cell D5		
Cover - A1Q- cell D6		
Cover - A1Q- cell D7		
Cover - A1Q- cell D8		
Cover - A1Q- cell D9		
Cover - A1Q- cell D10		
Cover - A1Q- cell D11		
Cover - A1Q- cell D12		
Cover - A1Q- cell D13		
Cover - A1Q- cell D14		

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Cover - A1Q- cell D15		
Cover - A1Q- cell D16		
Cover - A1Q- cell H1	**Excluding salvage and subrogation from claims paid (and the whole form, in fact) will mean that the form is missing an important element of insurance cash inflows.** Also, this exclusion makes reporting substantially more difficult for most EEA non-life entities. **Salvage and subrogation data are not required to be separated out for the calculation of non-life technical provisions (Article 21bis, November 2011 draft Level 2 text), so these are not data that most non-life undertakings currently hold.**	
Cover - A1Q- cell H2		
Cover - A1Q- cell H3		
Cover - A1Q- cell H4		
Cover - A1Q- cell H5		
Cover - A1Q- cell H6		
Cover - A1Q- cell H7		
Cover - A1Q- cell H8		
Cover - A1Q- cell H9		
Cover - A1Q- cell H10		
Cover - A1Q- cell H11		
Cover - A1Q- cell H12		
Cover - A1Q- cell H13		
Cover - A1Q- cell H14		
Cover - A1Q- cell H15		
Cover - A1Q- cell H16		
Cover - A1Q- cell H1Z	The LOG definition of overhead expenses is very vague, avoiding an actual definition altogether. The LOG should stipulate the types of expenses to be included or, instead, the types of expenses to be excluded (if any). We presume expenses such as rent, rates and insurances are covered, but	

	not staff costs (included within administrative expenses).	
Cover - A1Q- cell H2Z		
Cover - A1Q- cell H3Z		
Cover - A1Q- cell H4Z		
Cover - A1Q- cell H5Z		
Cover - A1Q- cell H6Z		
Cover - A1Q- cell H7Z		
Cover - A1Q- cell H8Z		
Cover - A1Q- cell H9Z		
Cover - A1Q- cell H10Z		
Cover - A1Q- cell H11Z		
Cover - A1Q- cell H12Z		
Cover - A1Q- cell H13Z		
Cover - A1Q- cell H14Z		
Cover - A1Q- cell H15Z		
Cover - A1Q- cell H16Z		
Cover - A1Q- cell H1F		
Cover - A1Q- cell H1G		
Cover - A1Q- cell I1		
Cover - A1Q- cell I2		
Cover - A1Q- cell I3		
Cover - A1Q- cell 13A		
Cover - A1Q- cell 13B		
Cover - A1Q- cell I4		
Cover - A1Q- cell I5		
Cover - A1Q- cell I6		

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Cover - A1Q- cell K1		
Cover - A1Q- cell K2		
Cover - A1Q- cell K3		
Cover - A1Q- cell K3A		
Cover - A1Q- cell K3B		
Cover - A1Q- cell K4		
Cover - A1Q- cell K5		
Cover - A1Q- cell K6		
Cover - A1Q- cell N1		
Cover - A1Q- cell N2		
Cover - A1Q- cell N3		
Cover - A1Q- cell N3A		
Cover - A1Q- cell N3B		
Cover - A1Q- cell N4		
Cover - A1Q- cell N5		
Cover - A1Q- cell N6		
Cover - A1Q- cell N1Z		
Cover - A1Q- cell N2Z		
Cover - A1Q- cell N3Z		
Cover - A1Q- cell N3AZ		
Cover - A1Q- cell N3BZ		
Cover - A1Q- cell N4Z		
Cover - A1Q- cell N5Z		
Cover - A1Q- cell N6Z		
Cover - A1Q- cell R		
Cover - A1Q- cell S1		

OF - B1Q- cell A13		
OF - B1Q- cell A50		
OF - B1Q- cell B50		
OF - B1Q- cell C50		
OF - B1Q- cell D50		
OF - B1Q- cell E50		
OF - B1Q- cell A51		
OF - B1Q- cell B51		
OF - B1Q- cell C51		
OF - B1Q- cell D51		
MCR - B4A- cell A31	**We presume that this applies only to large solo undertakings.** Taking into account our comments in 6.20 and 6.23 above, this MCR should (in the same way as for Solvency II reporting) be calculated by reference to the last annual SCR, not the SCR as at the quarter-end date in question.	
MCR - B4B- cell A31	**We presume that this applies only to large solo undertakings.** Taking into account our comments in 6.20 and 6.23 above, this MCR should (in the same way as for Solvency II reporting) be calculated by reference to the last annual SCR, not the SCR as at the quarter-end date in question.	
Assets - D1Q- cell A1 (list)		
Assets - D1Q- cell A2 (list)		
Assets - D1Q- cell A3 (list)		
Assets - D1Q- cell A4 (list)		
Assets - D1Q- cell A5 (list)		
Assets - D1Q- cell A6 (list)		
Assets - D1Q- cell A7 (list)		

Assets - D1Q- cell A8 (list)		
Assets - D1Q- cell A9 (list)		
Assets - D1Q- cell A10 (list)	Lack of an industry standard will cause reporting inconsistencies and materially undermine the usefulness of this field – a standard code is required here.	
Assets - D1Q- cell A11 (list)		
Assets - D1Q- cell A12 (list)		
Assets - D1Q- cell A13 (list)		
Assets - D1Q- cell A15 (list)	**A systems investment is required in order to report CIC codes and the investment industry needs to agree a unified approach to classification.** Use of broad IFRS accounting classifications, supplemented with flags to indicate specific additional risk characteristics, would be considerably simpler to implement and less liable to reporting inconsistencies. CIC codes are not used for and do not enhance internal risk management and so are a regulatory cost only. Otherwise, systems will need to be modified to generate the codes, resulting in significant cost for no extra risk management.	
Assets - D1Q- cell A16 (list)	We infer from the LOG for this form that this cell is to be left blank for group reporting – clarification is therefore needed on how this is to be populated here.	
Assets - D1Q- cell A17 (list)	**Undertakings will need to purchase licences from rating agencies in order to report these ratings to the supervisor. This is an additional cost to the industry, increasing the regulatory burden significantly.**	
Assets - D1Q- cell A18 (list)		
Assets - D1Q- cell A20 (list)		
Assets - D1Q- cell A22 (list)		
Assets - D1Q- cell A23 (list)		
Assets - D1Q- cell A24 (list)		
Assets - D1Q- cell A25 (list)	We use amortised cost, not original cost, for our internal purposes (and for financial reporting). Obtaining such data will therefore create an additional burden. We suggest amortised cost be used as an acceptable alternative.	
Assets - D1Q- cell A26 (list)		

Assets - D1Q- cell A28 (list)		
Assets - D1Q- cell A30 (list)		
Assets - D2O- cell A1	**General comments:** Where derivatives arise from business combinations, for example due to an element of consideration being payable on condition of a future level of profitability, we believe such situations ought to be excluded from the scope of this form. Clarification is needed here. If undertakings are using derivative instruments for hedging and qualify for such under IAS39, it means they will have already met stringent criteria to prove that such instruments are not being used for speculative purposes. **We believe that such instruments therefore need not be reported at all on this form**: according to the Summary document, the purpose of this form stems from the prudent person principle – instruments proven to be used for hedging ought not to considered here. Otherwise, given the extent of data requested here (further, on a quarterly basis), undertakings might be discouraged from engaging in such prudent, risk-mitigation activities.	
Assets - D2O- cell A2		
Assets - D2O- cell A3		
Assets - D2O- cell A4		
Assets - D2O- cell A5		
Assets - D2O- cell A6		
Assets - D2O- cell A7		
Assets - D2O- cell A8		
Assets - D2O- cell A9		
Assets - D2O- cell A10		
Assets - D2O- cell A11		
Assets - D2O- cell A13		
Assets - D2O- cell A14		

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Assets - D2O- cell A15		
Assets - D2O- cell A16		
Assets - D2O- cell A17		
Assets - D2O- cell A19		
Assets - D2O- cell A20		
Assets - D2O- cell A21		
Assets - D2O- cell A22		
Assets - D2O- cell A23		
Assets - D2O- cell A24		
Assets - D2O- cell A25		
Assets - D2O- cell A26		
Assets - D2O- cell A27		
Assets - D2O- cell A28		
Assets - D2O- cell A29		
Assets - D2O- cell A31		
Assets - D2O- cell A32		
Assets - D2O- cell A33		
Assets - D2O- cell A34		
Assets - D2O- cell A35		
Assets - D3- cell A1	**General comments:** **We note that the returns are to be measured on a cashflow basis: this is not how they are accounted for and will therefore result in significantly extra work.** Investment performance is managed internally with reference to net investment income and total gains/losses. If the purpose of the form is to assess the level of risk against the return, cash reporting should not be insisted upon. This form, as currently proposed, does not enhance internal investment performance management. The use of numbers in the financial statements ought to serve as a	

	very reasonable proxy in order to achieve the stated purpose.	
Assets - D3- cell A3		
Assets - D3- cell A4		
Assets - D3- cell A6		
Assets - D3- cell A7		
Assets - D3- cell A8		
Assets - D3- cell A15	We believe that the calculation should not effectively ignore unrealised gains and losses recognised in previous periods, as this would otherwise not result in the total net gain/loss on disposal.	
Assets - D4- cell A1	**General comments:** **There is no agreed industry standard for this disclosure, it is not supported by data vendors and there is considerable fund manager resistance to making these data available to outsourced investment data providers. Further, producing such data on a quarterly basis within 5 weeks, especially in the case of funds of funds, will be almost impossible to achieve. A list at the balance sheet date of funds on a look-through basis is not used for and does not enhance internal risk management, meaning this is a regulatory cost only.** In our situation, the funds we hold are quite immaterial; as such, there is little need for us to seek the level of data demanded here anyway. In our recent dry-run exercise, our entities could not complete this form, as (given the allotted time) there was insufficient information in the mandate to assist with the form. The potential level of detail required here may well cause undertakings to revise their investment strategy, so as to avoid investment in collective investment schemes altogether. This surely cannot be the regulatory intention, so these proposals need to be reconsidered carefully. We recommend that proportionality be applied according to the type of underlying investment: if	

	a fund is invested in “vanilla” securities, which are all “Level 1”, the risk is surely much less than that of another fund invested in “Level 3” assets and, hence, the former fund should be subject to less scrutiny.	
Assets - D4- cell A2		
Assets - D4- cell A3		
Assets - D4- cell A4		
Assets - D4- cell A5		
Assets - D4- cell A6		
Assets - D4- cell A7		
Assets - D4- cell A8	The use of the mandate is suggested where collective investment schemes are not “sufficiently” transparent –in the absence of guidance on this, we presume undertakings are free to decide for themselves precisely what this means.	
Assets - D5- cell A1	**General comments:** **Stocklending activities are fully indemnified and therefore do not impact on financial stability.** The level of data being requested here is excessive given our needs. In particular, all stock is lent in return for stock of equal value, as well as commission. In our case, for instance, UK government stock is exchanged for other UK government stock. The stocklending programme is managed for us by our custodians, with transactions occurring daily – the amount of data potentially required would therefore be very excessive given the low risk of our activities. Further, attempting to provide information for the whole reporting period, not just the year end, will be at least very onerous and at most impossible, as such activity varies daily. The LOG states, “There should be 1 line by security lending or repo operation” – but we do not understand what this means or how it is to be applied. In the case of stocklending, it would be possible to collapse some entries into one line, but not in the case of repos.	

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Assets - D5- cell A2		
Assets - D5- cell A3		
Assets - D5- cell A4		
Assets - D5- cell A5		
Assets - D5- cell A6		
Assets - D5- cell A7		
Assets - D5- cell A8		
Assets - D5- cell A9		
Assets - D5- cell A10		
Assets - D5- cell A11	The LOG definition here is unclear: we presume it means that the percentage of the portfolio represented by the transaction in question. Following from the “General” point above, if “1 line by […] operation” results in only one line being entered, this is probably more straightforward; else, this would be nearly impossible to do, as such transactions are entered into by our custodians almost daily.	
Assets - D5- cell A12		
Assets - D5- cell A13		
Assets - D5- cell A14		
TP - F1Q- cell A1		
TP – F1Q- cell A3		
TP – F1Q- cell A5		
TP – F1Q- cell A6		
TP – F1Q- cell A7		
TP – F1Q- cell A9		
TP – F1Q- cell A10		
TP – F1Q- cell A12		

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TP – F1Q- cell A13		
TP – F1Q- cell A14	The LOG entry for A14-Q14 refers to cell F9 agreeing to BS-C1. We believe this should be cell F14, not F9.	
TP - F1Q- cell B1		
TP - F1Q- cell B2		
TP - F1Q- cell B3		
TP - F1Q- cell B4		
TP - F1Q- cell B5		
TP - F1Q- cell B6		
TP - F1Q- cell B7		
TP - F1Q- cell B9		
TP - F1Q- cell B10		
TP - F1Q- cell B11		
TP - F1Q- cell B12		
TP - F1Q- cell B13		
TP - F1Q- cell B14		
TP - F1Q- cell C1		
TP - F1Q- cell C2		
TP - F1Q- cell C3		
TP - F1Q- cell C4		
TP - F1Q- cell C5		
TP - F1Q- cell C6		
TP - F1Q- cell C7		
TP - F1Q- cell B9		
TP - F1Q- cell C10		
TP - F1Q- cell C11		

	Comments Template on Proposal for Quantitative Reporting Templates for Financial Stability Purposes	Deadline 20 February 2012
TP - F1Q- cell C12		
TP - F1Q- cell C13		
TP - F1Q- cell C14		
TP - F1Q- cell E1		
TP - F1Q- cell E2		
TP - F1Q- cell E4		
TP - F1Q- cell E6		
TP - F1Q- cell E7		
TP - F1Q- cell E9		
TP - F1Q- cell E10		
TP - F1Q- cell E12		
TP - F1Q- cell E13		
TP - F1Q- cell E14		
TP - F3- cell A21		
TP - F3- cell A30		
TP - E1Q- cell A11		
TP -E1Q- cell B11		
TP -E1Q- cell C11		
TP - E1Q- cell D11		
TP -E1Q- cell E11		
TP -E1Q- cell F11		
TP - E1Q- cell G11		
TP -E1Q- cell H11		
TP -E1Q- cell I11		
TP - E1Q- cell L11		
TP -E1Q- cell M11		

	Comments Template on Proposal for Quantitative Reporting Templates for Financial Stability Purposes	**Deadline 20 February 2012**
TP -E1Q- cell N11		
TP - E1Q- cell P11		
TP - E1Q- cell P11		
TP -E1Q- cell Q11		
TP - E1Q- cell R11		
TP - E1Q- cell **Q11**		
TP - E1Q- cell A12		
TP -E1Q- cell B12		
TP -E1Q- cell C12		
TP - E1Q- cell D12		
TP -E1Q- cell E12		
TP -E1Q- cell F12		
TP - E1Q- cell G12		
TP -E1Q- cell H12		
TP -E1Q- cell I12		
TP - E1Q- cell L12		
TP -E1Q- cell M12		
TP -E1Q- cell N12		
TP - E1Q- cell O12		
TP - E1Q- cell P12		
TP -E1Q- cell Q12		
TP - E1Q- cell R12		
TP - E1Q- cell **Q12**		
TP - E1Q- cell A13		
TP -E1Q- cell B13		
TP -E1Q- cell C13		

TP - E1Q- cell D13		
TP -E1Q- cell E13		
TP -E1Q- cell F13		
TP - E1Q- cell G13		
TP -E1Q- cell H13		
TP -E1Q- cell I13		
TP - E1Q- cell L13		
TP -E1Q- cell M13		
TP -E1Q- cell N13		
TP - E1Q- cell O13		
TP - E1Q- cell P13		
TP -E1Q- cell Q13		
TP - E1Q- cell R13		
TP - E1Q- cell **Q13**		
Re - J2- cell H1	**General comments:** The proposed reporting requirements under CP-11/009 already propose that undertakings report changes to their outwards reinsurance programme quarterly. This means that, whilst groups will report such information in their RSRs annually, details of the changes underlying movements in the programme from year to year can be monitored more locally as and when required. This form requires a lot of analysis. In particular, in the case of multi-class treaties, one cover would need to be split between different lines of business, different reinsurers, different lines of activity and by layer: • During our recent dry-run exercise, for one layer alone of an umbrella global cat treaty, the data ran to over 200 lines. • The treaty had a number of layers – due to the time taken, we only completed the form on a	

	sample basis; otherwise the full treaty would have run into thousands of lines of data. We believe a less burdensome approach would simply be for undertakings to send their supervisors all their treaty cover notes and for the supervisors to extract what they need from those. Alternatively, a diagrammatic format could be used to provide details of our multi-column, multi-layered treaties, with ad hoc queries to be received subsequently if/where needed. These would be much more pragmatic and proportionate methods of achieving the same result. Reference is made throughout to "treaty" – we have therefore presumed that this form concerns only to reinsurance treaties and not facultative covers. No reference is made about currency; we have assumed that reporting is to be made in the currency of the cover, not the reporting currency of the undertaking. Clarification is needed here. This is especially important in the case of multi-currency treaties, where (for example) different layers are denominated in different currencies.	
Re - J2- cell X1		
Re - J2- cell Y1		
Re - J2- cell AG1	Details on such codes need to be produced as soon as possible (how these will be made available and by when), to help undertakings develop their processes.	
Re - J2- cell AP1	The LOG refers to "absolute percentage" –this needs to be clarified, especially in the case where (say) the share is 0.25% (i.e. not a whole percentage).	
Re - J3- cell B1	**General comments:** The proposal to report this form quarterly, as opposed to annually, only has merit if groups are likely to see significant churn in their reinsurance programme between quarters. We believe it would be much more proportionate to request more frequent reports only if the RSR reveals a higher-than-usual level of activity; otherwise reporting of form Re-J3 should remain annual. In our recent dry-run exercise, the consolidated J3 form ran into over 3,000 lines of data, or 150	

	pages of A4. The proposal that no materiality threshold is to exist would lead to all small items being reported, no matter how trivial/insignificant/disproportionate they might be. We propose that items less than 5% of the total should be reported in aggregate. **Comment on cell B1:** Details on such codes need to be produced as soon as possible (how these will be made available and by when), to help undertakings develop their processes.	
Re - J3- cell N1		
Re - J3- cell O1	In the situation where amounts are due via a broker, not directly from a reinsurer, it needs to be clarified how such amounts are to be presented in this form.	
Re - J3- cell S1		