

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Name of Company:CEA		
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Confidential/Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not <u>change the numbering</u> in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ 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>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <ul style="list-style-type: none"> ○ Certain rows represent a group of cells with similar information (ex : TP-E3- cells A17-A31-J16 for a given triangle in TP-E3) ○ Cells that refer to formulas are not mentioned in specific rows; in case you have comments on formulas, please make them in the cell "general" for the given template ○ 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 integral consistency purposes ○ 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. ○ If your comment refers to subparagraphs or specific cells within a group, please indicate this in the comment itself. <p>Please send the completed template, in Word Format, to cp009@eiopa.europa.eu. Our IT tool does not allow processing of any other</p>		

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

formats.

The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the accompanying spreadsheets and LOGs, the reference to "General", "Purpose", etc. refers to summary documents.

Reference	Comment
General Comment	<p>The CEA would like to thank EIOPA for engaging in discussions with the industry to ensure the contents of the quantitative reporting templates (QRTs) package will be considered well in advance of entry into force of Solvency II. The industry expects that 18 months is required to implement the necessary systems and procedures to support systematic reporting of Solvency II information.</p> <p>The European (Re)Insurance industry does however have some outstanding concerns which we would ask EIOPA to consider before finalising the QRTs package.</p> <p>This level of reporting will be a requirement for the first time: it is therefore important that EIOPA consult further on the application of proportionality and materiality. The CEA has not commented specifically on the impact assessment however related comments can be found in response to this consultation.</p> <p>Not all templates have been simplified for public disclosure purposes: the statutory accounting column of the Solvency II balance sheet should be removed and replaced with a qualitative explanation of the differences arising direct comparisons of Solvency II and accounting valuation bases. The Own Funds template also requires further simplification.</p> <p>Quarterly reporting should be applied in a proportionate way: infra-annual reporting could be limited to situations when there is a material change to calculations underlying the SCR and technical provisions. Simplifications and approximations would also help to facilitate more frequent systematic reporting.</p> <p>EIOPA should drop the requirement to report Q4 templates: year-end reporting will follow within the same quarter providing a more detailed breakdown of validated</p>

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

information.

Reporting of assets data is overly onerous: information is often held by third party providers therefore (re)insurance undertakings will not have 'ownership' over the flow of data; this is particularly problematic when look-through is applied. Rating agencies and data decimators may also charge additional fees for (re)insurers to pass such information on to other users (supervisors).

The CIC table must be implemented in a consistent way: without harmonised definitions and mapping in place, practices will differ per country.

For unit-linked, and similar contracts, the risk is not always borne by the (re)insurance undertaking: we would ask that EIOPA consider this when requesting information on unit-linked, and similar, contracts.

We would like to draw attention to the following specific QRTs categories:

Variation Analysis: These templates are highly problematic as they do not reflect current business practice of the (re)insurance industry. They mix profit and loss concepts with the balance sheet (starting point of Solvency II) which makes it very difficult to reconcile with other templates in this QRTs package. They also do not support use of roll forward techniques which are crucial when assessing changes during the reporting period.

Furthermore, for non-life business, the current templates are compulsory ask for an underwriting year approach, distinguishing "old" and "new" business according the underwriting year. **To be consistent with the template TP-E3 and with current industry best practices, it is vital that an option be set to allow undertaking to fill in those templates using an accident year approach.**

The detail required for "new business" is far too demanding compared to industry current practices. **CEA suggest to merge all the "risk accepted during the period" lines into one, which should estimate the impact on own funds of the business underwritten during the year.**

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

Non-life Technical provisions: EIOPA has indicated that for claims triangles, flexibility will be allowed in terms of applying accident year (AY) or underwriting year (UWY). This flexibility is vital as it essentially reflects how (re)insurers will organise their business. To apply one approach would involve duplicate systems (one for business use and another for supervisory reporting). We believe that this requirement is excessive. It is not clear if flexibility on AY/UWY is also applicable to templates other than TP-E3 (claims triangles).

Also related to TP-E3, we note that EIOPA has extended the development year to 15 years. We do not agree with this proposal because the average development year will change depending on the LOB. 15 years is excessive for short-tail business and in addition, heavy reliance on historical data may be misleading as it would not reflect recent changes in the business environment. Development year should be determined by the undertaking, based on the LOB in question, instead of having a default set by EIOPA. This in particular applies to triangles related to **Best Estimate, Reinsurance, Salvage and Subrogation and RBNS**. We suggest that those triangles should be filled in on a best effort basis for the years before the entry into force of Solvency II.

Life Technical Provisions: CEA notes the positive changes made by EIOPA regarding the F3 template. However, EIOPA still asks for reporting the value of Best Estimate per HRG. We reiterate our concerns that this requirement would be very unnecessary for systematic reporting and is not foreseen by the Solvency II Level 1 or 2 texts. This information should be requested on an ad hoc basis or in coordination with an on-site inspection or where appropriate.

Group specific templates: reporting of risk concentration should not be dealt with a pre-formatted template, but rather with a qualitative and quantitative analysis which could be performed in the narrative reporting submitted to supervisors. **Moreover, CEA does not support public disclosure of this template.** It could be misleading and could have significant impact on financial markets and, especially if corporate undertakings are explicitly pointed at.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>In subsequent group templates, we would ask that legal non-EEA entities be reported at a more aggregate level, for example at geographical area level. It is a very important point for international groups which will carry out SCR calculations for those non-EEA entities at a more aggregated level.</p> <p><i>As a general point, we have many open questions remain with regards to the definitions and guidance provided in the accompanying LOG documents. These points are noted under a general heading "further clarification required" in each section. We would welcome the opportunity to discuss with EIOPA, these, and other open issues at a convenient time in the near future.</i></p>	
3.1	Please refer to the general comments section at the beginning of each template.	
3.2	We query some of the definitions in the LOG documents and have commented on these points alongside the cell to which they relate.	
3.3	<p>1) Applicability at group level should not de facto apply at the level of sub-groups. Article 215-217 of the Framework Directive deals with the issue of reporting at different levels of the group. The CEA understands that sub-group reporting should only be applied in exceptional cases. Sub group supervision at the national level will in particular be burdensome for undertakings and result in duplicate reporting. Overall, the CEA believes that group reports should be submitted only once to the group supervisor by the ultimate parent.</p> <p>2) The motivation behind introducing mixed financial holding company to Solvency II (via review of the financial conglomerates directive) was to increase supervisory oversight from the very top level of the organisation's structure. By dealing with sub-group supervision and mixed financial holding companies in the same guideline, EIOPA risks introducing a reverse effect.</p> <p>The Framework Directive deals clearly with sub-group supervision therefore there is no need for EIOPA to refer beyond "the ultimate parent undertaking as determined by the group supervisor".</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
3.4	<p>We support that QRTs subject to public disclosure are less detailed than the annual templates themselves however the term "annual template" could be misleading. We propose instead the following wording, "Undertakings and groups should publicly disclose annually in their Solvency and Financial Condition Report the templates as set out in the Technical Annex".</p> <p>Transparency is important for the market and information should be presented in a way so it is easily understood and not misinterpreted.</p> <p>EIOPA propose that template BS-C1 is disclosed which would mean that statutory accounting figures are published alongside Solvency II valuations. When Local GAAP is used as the basis for accounting valuations, the two sets of figures will not directly correspond and therefore cannot be compared from one undertaking to another and on a cross border basis. We believe it would be more meaningful to disclose only the Solvency II valuation column accompanied by a narrative explanation of any differences that may have arisen.</p> <p>Commercially sensitive information such as performance related data or data used for internal management purposes should not be subject to public disclosure requirements. This is in line with Article 53 of the Framework Directive.</p>	
3.5	<p>Reporting of RFF should be required in a proportionate way. It should be possible to group non-material RFF for reporting purposes.</p>	
3.6	<p>EIOPA should monitor the uptake and reasoning for the use of national specific templates and make public these details on their website. In general, the harmonised reporting package established by EIOPA should replace all templates at national level.</p> <p>We disagree with such extensive requirements per country. There will be no level playing field within the EU.</p>	
4.1	<p>The CEA supports that group templates are an aggregated illustration of the group based on solo data. The scope of the group should be based on the scope of group supervision; EIOPA should clarify this in their text.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	Clarification would be helpful on whether to include subsidiaries in non-EEA countries and non-insurance units or just undertakings that fall under the scope of group supervision. We presume it is the latter.	
4.2	<p>The principle of proportionality should be applied to reporting and in particular quarterly reporting. It may be the case that there is no material change for parts of an undertaking's business over the course of one year therefore quarterly reporting should not be a systematic requirement for all.</p> <p>We disagree with a mandatory fourth quarter reporting. It should be sufficient to prepare the annual report a short period later.</p>	
4.3	The CEA supports EIOPA's clarification on this matter however we would request that this wording is inserted in the guideline itself to provide additional certainty. We query whether some form of agreement would be necessary between the undertaking and the authorising supervisor.	
4.4	Please refer to section 3.3 for comments on sub-group supervision.	
4.5	Clarification would be helpful that IGT templates are not required at the insurance parent level. It should not be required to repeatedly submit the same templates at multiple levels of the group.	
4.6	Ad hoc reporting of IGT should be limited to "significant IGTs", EIOPA's text should clarify this. As a general comment, the definition of significant IGTs should be limited to exceptional movements of capital (other than dividends and transactions that fall within the general definition) and other significant transactions (for example above a threshold set relative to SCR group). In practice, for the group under IFRS, only the transactions giving rise to agreement by the Board and which are subject to a review by the auditors should be considered as significant.	
4.7	The issue, "harmonisation of format", is outstanding. EIOPA are due to consult	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>separately on the exact technical format to be used for reporting templates and it may be the case that industry do not have sufficient time to fully implement a new system before entry into force of Solvency II.</p> <p>If XBRL is chosen as the new technical format for reporting templates, industry may require up to 2 years to implement and test the necessary systems. EIOPA should communicate their decision on the format of reporting templates as soon as possible to allow sufficient time for industry preparation.</p> <p>For this reason, EIOPA should not expect a fully harmonised format as of 'day-1-reporting'.</p>	
4.8	Please refer to paragraph 3.5 for comments on RFF.	
4.9	Please refer to sections 3.6 and 4.7 for our comments on national specific information and harmonised format of templates.	
4.10	<p>Please refer to sections 3.6 for our comments on national specific information.</p> <p>We disagree with such extensive requirements per country. There will be no level playing field within the EU.</p>	
4.11	Please refer to sections 3.6 for our comments on national specific information.	
Technical Annex (only for inconsistencies)	<p>BS-C1 – cell A28A Presenting own shares held by the undertaking as an asset would introduces differences in comparison with treatment under IFRS. For more transparency and simplicity, we suggest dealing with own shares in OF – B1.</p> <p>BS – C1 – cell A28B We believe that asking this information in the balance sheet template could be misleading as this item is generally not considered as an asset. We suggest dealing with this item in OF – B1.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

OF-B1A-cell C89

We would like to raise strong concerns, as this has already been done in a joint industry paper sent to EIOPA on 28 October 2011, with **EIOPA's restrictive interpretation of the Tiering limit for the quality of Own Funds. This interpretation would drastically reduce the eligible capital of the European Insurance Industry if it were to be implemented in Level 2 or Level 3 as such.** Recent discussions have allowed us to have a better understanding of EIOPA's interpretation. This goes far beyond the Level 1 directive.

- The Level 1 Directive is based on Tiering Limits (min 50% Tier1; max 15% Tier3) – where the limit percentages are based on total Eligible Own Funds.
- EIOPA's interpretation effectively applies the Tiering Limits only on the Own Funds that cover the SCR (i.e. applies it on the SCR) and requires that all Surplus (Own Funds in excess of SCR) should be
- Necessarily in Tier 1 to be eligible (based on a complex Bottom up/ Top down approach).
- The initial Industry interpretation was that Tiering limits were applied only on the Own Funds to cover the SCR.

The CEA disagrees with the extreme and strict interpretation of EIOPA and believe that this goes beyond the requirements as set out in the Level 1 Directive. There is no reason why the Tiering limits (min 50% Tier1, max 15% Tier3) should not be applied to all Eligible Own Funds including the surplus. Tier 2 and Tier 3 items should also be allowed for the coverage ratio above 100% of the SCR, provided that they are still in the proportions defined by the tiering limits.

Additionally, we note that if this were to be applied, it would create counter-intuitive results given that own funds are increasing at the point that the undertaking's risk has increased (assuming an undertaking has excess own funds). It would also misrepresent the actual own funds the undertaking holds.

SCR - B3D- cell C04

The gross capital requirement for lapse risk is the maximum of the single lapse risk

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>capital requirements. This methodology differs from that set out under QIS5 whereby the gross value was used corresponding to scenario used to calculate the net value. The current approach allows for different shock scenarios to be used for gross and net values. As a result, the gross and net capital requirements of different undertakings are not comparable and the risk reducing capacity of future profits cannot be calculated as the difference between gross and net capital requirements.</p>	
BS-C1 – General	<p>A full accounting reconciliation between the Solvency II valuation and statutory accounts valuation columns will be incredibly difficult to achieve, particularly when the statutory accounts valuation is based on local GAAP. Differences between the two columns should be explained to supervisors in a narrative statement rather than requiring a full quantitative reconciliation.</p> <p>The CEA queries whether undertakings will have the choice of substituting local GAAP figures with internal IFRS valuations. For group figures in particular, Solvency II vs. local GAAP differences will be problematic, particularly for the following items:</p> <ul style="list-style-type: none"> • Deferred tax assets/liabilities; • Intangible assets; • Pension benefit surplus; • Property, plant and equipment for own use; • Participations; • Equities; • Derivatives; • Loans and mortgages. <p>Some groups use the D&A method for consolidation when dealing with assets and liabilities coming from other financial sectors (OFS), this means that a single line item is created under assets and liabilities. Guidance from EIOPA would be helpful in terms of how solo templates should be completed from a group perspective.</p> <p>Investment data should be consistent with the CIC codes outlined in the Assets' template. Clarification would be helpful on EIOPA's comment relating to granularity, in terms of applying a simplified balance sheet.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

The CEA believes that contingent liabilities should **not** appear on the Solvency II Balance Sheet. For accounting purposes, many contingent liabilities are treated as off balance sheet items, please refer to cell L23 for additional comments.

Reporting on technical provisions should consist of a simple aggregation exercise of more detailed underlying reporting templates. It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations.

We support that EIOPA has aligned the LOG definitions for the Solvency II value and Statutory Accounts value of technical provisions, this provides clarification that both are to be reported gross of reinsurance, for comparison purposes it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column.

The CEA understands that the dotted lines in this template allows for aggregation of statutory accounting information. However we note that EIOPA's proposal has aggregations both above and below the dotted lines and we query what the expected result is in such cases. Also, the general comment section of the LOG-file refers to netting in the Solvency II balance sheet. We would ask for a specific indication of where netting is allowed.

Regarding the application of this template to RFF, we question EIOPA's intention. We do not see the need for detailed reporting of a full balance sheet for RFF.

BS-C1 – Purpose

A quantitative reconciliation against statutory accounting valuations will be incredibly difficult. This will be further complicated for undertakings that must submit financial reports according to local GAAP, we anticipate that smaller undertakings may especially be affected by this. We propose instead to provide a narrative explanation of any differences that arise between the Solvency II value and statutory accounts valuation columns.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	Clarification would be helpful on whether the purpose of this reconciliation is to present valuation differences only. This could be presented in a simplified and more meaningful way.	
BS-C1 – Benefits	The benefits to the public in understanding the solvency position of an undertaking can be gained from the Solvency II valuation column. A quantitative reconciliation with statutory accounting may not be easily understood and would therefore be better presented in the form of a narrative explanation.	
BS-C1 – Costs	<p>Significant costs will be required to set up the necessary systems and procedures to support all Solvency II reporting. This in particular relates to IT costs as incredibly sophisticated systems will be required to collect data from its original source, store and match it to the various reporting templates. Reporting requirements must be determined well in advance of the entry into force date. Please refer to section 4.7 for CEA comments on the time required for implementation.</p> <p>For the Solvency II balance sheet, additional costs might be incurred to report the balance sheet in a fast close timeframe.</p>	
BS-C1 – Groups	It may be the case that the scope of entities under consolidated accounts is larger than that of the scope of entities under Solvency II group supervision. A direct comparison between Solvency II and statutory accounting valuation columns will therefore not be possible. For public disclosure, it would mean that the Solvency II balance sheet is misleading and for this reason, we propose not to disclose the statutory accounting valuation column and instead provide a narrative explanation of the differences arising between the two columns.	
BS-C1 – Materiality	<p>We support EIOPA’s efforts to introduce materiality thresholds however at present, it is unclear how the exemption for quarterly reporting of this template would apply:</p> <ul style="list-style-type: none"> a. The term “significant part” is not specific and while we appreciate it allows for flexibility, it could be difficult to define. b. The term “explained sufficiently” also infers that a judgement is made by supervisors when assessing if the Revaluation Reserve in Own Funds is 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>adequately explained by differences in the valuation of investments and technical provisions. This lack of certainty is concerning.</p> <p>c. It is not clear, but we assume that the deferred tax element of any Revaluation Reserve is irrelevant in arriving at the decision on whether to submit BS-C1 quarterly. Please refer to BS-C1-Frequency, where this point is explained further by example.</p> <p>EIOPA's description of situations when the reconciliation reserve cannot be fully explained should appear in the Guidelines paper, as should all explanations regarding proportionality/materiality.</p>	
BS-C1-Disclosure	<p>As previously mentioned differences in scope and national accounting methodologies will have a large impact on this template and EIOPA's requirement to perform a quantitative reconciliation. Only the Solvency II valuation column should be publically disclosed along with a narrative statement explaining differences that have arisen between the two. This would continue to fulfil EIOPA's envisaged benefits in terms of market transparency.</p>	
BS-C1 - Frequency	<p>We support EIOPA's direction in applying a clause to limit quarterly reporting of the balance sheet however we believe that quarterly reporting should not be required as standard.</p> <p>Reporting of the balance sheet is very much reliant on data from other templates which are not calculated/reported at the same frequency therefore to require quarterly reporting on a systematic basis will be problematic.</p> <p>It should however be stressed that deferred taxes (assets or liabilities) would be mechanically modified due to changes in assets and liabilities. The explanation of changes in the reconciliation reserve should be analysed with changes in assets and liabilities net of taxes. For example: if assets increase +10 over one year, with no change to liabilities, for a country where the tax rate is 30% then the "logical" impact on the reconciliation would be 7. In this case, the changes in the reconciliation reserve should be considered as "explained" by the changes in assets, and the exemption for quarterly reporting should apply.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	More clarification on what EIOPA interpret "explained" would be helpful, it may be possible to use a different exemption clause for example, a comparison between the delta of change in technical provisions and assets with the delta of total available own funds.	
BS-C1 – cell AS1		
BS-C1- cell AS24		
	This comment applies to A2 and AS2.	
	It would be helpful to have examples of intangible assets, according to local GAAP some intangible assets consist mainly of internally developed software and acquired portfolios. Clarification of interpretations would be helpful in this respect.	
BS-C1- cell A2		
BS-C1- cell AS2		
BS-C1- cell A26		
BS-C1- cell AS26		
BS-C1- cell A25B		
BS-C1- cell AS25B		
	This comment applies to A3 and AS3.	
	The reporting templates should reflect results of other discussions on Solvency II. For example, "properties for own use" are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation SCR.5.44). Consistency should be ensured.	
	In some countries, the local GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use.	
	In some cases, undertakings indicated difficulties in performing fair value valuations due to the need to constantly update third-party estimates. In relation to this, the frequency of revaluation for such items should be clarified.	
BS-C1- cell A3		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Further clarification required:</p> <ul style="list-style-type: none"> Is the definition for own use property and investment property the same under SII and IFRS? For example if a building is used for own use and by third parties. How does the apportioning work in Solvency II? 	
BS-C1- cell AS3		
BS-C1- cell A5	<p>This comment applies to A5 and AS5.</p> <p>The reporting templates should reflect results of other discussions on Solvency II. For example, "properties for own use" are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation (SCR.5.44). Consistency should be ensured.</p> <p>In some countries, the local GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use. We query if this cell would include buildings held for resale?</p>	
BS-C1- cell AS5		
BS-C1- cell A6	<p>This comment applies to both A6 and AS6.</p> <p>We assume that "participations" covers participating interests in both related and associated undertakings i.e. both ownership and loans.</p> <p>Further guidance should be given on how an "organised and officially recognised market" should be interpreted for participations.</p> <p>Supervisory guidance would be helpful on whether the Solvency II valuation should also be used in Assets – D1.</p>	
BS-C1- cell AS6		
BS-C1- cell A7	We query if the LOG definition should read "when cell A16 of Assets D1 is not "N"?"	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell AS7		
BS-C1- cell A7A	No split should be made between listed and unlisted equities. This comment applies to BS-C1-cells-A7A to AS7A.	
BS-C1- cell AS7A		
BS-C1- cell A8	<p>This comment applies to BS-C1-cells A8 to AS8.</p> <p>The definition of "Government bonds" as quoted from the LOGs issued during the informal consultation carried out in summer 2010, was as follows:</p> <p><i>Government bonds as defined in the CEIOPS L2 advice on structure and design of market risk module (ex-CP 47) for spread risk sub-module : bonds issued "by or demonstrably guaranteed by national government of an OECD or EEA state, issued in the currency of the government, or issued by a multilateral development bank as listed in Annex VI, Part 1, Number 4 of the Capital Requirements Directive (2006/48/EC) or issued by an international organisation listed in Annex VI, Part 1, Number 5 of the Capital Requirements Directive (2006/48/EC)."</i></p> <p>The definition used in this consultation is different from the one above as it does not seem to include ... "<i>bonds demonstrably guaranteed by national government...</i>" We support further clarification on the definition of government bonds to be included in the balance sheet.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • The condition that these borrowings need to be issued in the currency of the government needs clarification. • No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet. 	
BS-C1- cell AS8		
BS-C1- cell A8A	This comment applies to BS-C1-cells-A8A and AS8A.	
BS-C1- cell A8A	As it currently stands, the CIC does not seem to adequately distinguish between	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>different types of risk categories, primarily with bonds. Financials and Corporates as well as Covered Bonds are all put into one asset group (Bonds- Corporate bonds); subordinated bonds are not addressed as a single category.</p> <p>The definitions used should be applicable in all countries or additional categories in the CIC to report certain items separately would be of help. For example in Germany, a product exists (Pfandbriefe) where the underlying portfolio is based on real estate. These products are strictly regulated at a national level and covered by secure bonds. For the purpose of this template, they are grouped as ABS instruments which may be misleading in terms of risk impacts.</p>	
BS-C1- cell AS8A		
BS-C1- cell A8C	In some cases, structured notes do not appear separately on local GAAP balance sheets. This comment also applies to BS-C1-AS8C.	
BS-C1- cell AS8C		
BS-C1- cell A8D		
BS-C1- cell AS8D		
BS-C1- cell AS9	<p>This comment applies to BS-C1-cells-A9 to AS11.</p> <p>It is unclear how to deal with currency effects in this section, for example a fund is booked in EUR but the underlying instruments are in a number of different currencies. It is not clear in accounting how this would be broken down as far as underlying instruments.</p> <p>These cells follow categorisation used in Assets-D1Q which is a quarterly template. Since this template will not be required, in all cases, on a quarterly basis, EIOPA should use the categorisation in Assets-D1 which is an annual template.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Further guidance is required on how to classify investments in collective investment vehicles and other investments packaged as funds. For example, it is not clear whether a 100% bond fund should be classified as 'Investment funds' or 'bonds' for reporting purposes. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> • Clarification would be helpful on the treatment of consolidated special funds, mutual funds, funds of funds. • We query if remaining private equity commitments should be reported under this section and if so, where the corresponding liability would appear. It could be that this is reported under contingent liabilities? 	
BS-C1- cell AS9A		
BS-C1- cell AS9B		
BS-C1- cell AS9C		
BS-C1- cell AS9D		
BS-C1- cell AS9E		
BS-C1- cell AS9F	Clarification would be helpful on whether 'mixed funds' would be reported here.	
BS-C1- cell A10A	<p>This comment applies to BS-C1-cells A10A to AS10B.</p> <p>In application of IFRS, only the net profit or loss position is provided on the assets side for derivatives. It should be clarified that this is also the case here. In some cases, local GAAP does not value derivatives at fair value and the data requested will therefore be hard to retrieve.</p> <p>Long term bank deposits and short term bank deposits are not differentiated on local GAAP balance sheets. Guidance provided in the LOG refers to "bank deposits with a term of more than one year". Clarification would be welcome on whether this refers to the original or remaining term of the deposit. Also, on whether the maturity of deposits is determined by the original term, or from the days to maturity as at the reporting date.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We understand that deposits up to one year have to be shown under the position cash equivalents. • The definition of this term (Deposits Other Than Cash Equivalents) in association with cell A27 (Cash and Cash Equivalents) is confusing. The 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>description explicitly states "Deposits other than transferable deposits, with remaining maturity superior to 1 year" but includes CIC category 73 (short term deposits with residual maturity of less than 1 year) – where should CIC category 73 deposits be reported?</p> <ul style="list-style-type: none"> • The description also includes CIC category 72 (Transferable deposits) although the description for A27 (Cash and Cash Equivalents) implies that investments within CIC 72 should be disclosed there instead. • Furthermore, where residual maturity of term deposits fall within the undertaking's accounts payable cycle, should those investments be re-categorised to 71 or 72 and be disclosed within Cash & Cash Equivalents? 	
BS-C1- cell AS10A		
BS-C1- cell A10B		
BS-C1- cell AS10B		
BS-C1- cell A14	<p>This comment applies to BS-C1-cells A14 to AS14.</p> <p>We question whether it is relevant to mix different items such as mortgage loans and reverse repos, their maturity is normally very different (long term vs. short term). As a general comment, we consider loans on policies to be immaterial.</p>	
BS-C1- cell AS14	<p>We query why this item appears on both the assets and liabilities side of the balance sheet. For assets, it is entered in the accounting valuation column as "loans and mortgages (except loans on policies)". On the liability side, it is entered in the accounting valuation column as "other technical provisions".</p> <p>We presume that on the liabilities side, the entry should have the code LS14 however there is no corresponding row to provide feedback, or definition in the LOG document.</p> <p>Other technical provisions will cover the equalisation provision and reserve and as such, should only be reported on the liability side of the balance sheet.</p>	
BS-C1- cell A11		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell AS11		
BS-C1- cell A12	<p>This comment applies to BS-C1-cells- A12 to AS12.</p> <p>Confirmation is required that is it no longer required to separately split out assets held to cover linked assets. This is not required by IFRS.</p>	
BS-C1- cell AS12		
BS-C1- cell A14A	<p>In some cases, this item is not reported separately on the IAS/IFRS balance sheet, but instead is incorporated with "other loans".</p> <p>We query whether this would include other collateral such as cash pooling.</p>	
BS-C1- cell AS14A		
BS-C1- cell A17		
BS-C1- cell AS17		
BS-C1- cell A18		
BS-C1- cell AS18		
BS-C1- cell A18A		
BS-C1- cell AS18A		
BS-C1- cell A19		
BS-C1- cell AS19		
BS-C1- cell A19A		
BS-C1- cell AS19A		
BS-C1- cell A13		
BS-C1- cell AS13		
BS-C1- cell A21		
BS-C1- cell AS21		
BS-C1- cell A20	This comment applies to BS-C1-cells A20 to AS20.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>The definition in the LOG for “reinsurance receivables” is as follows, “amounts due by reinsurers and linked to reinsurance business, but that are not reinsurance recoverables”. Since reinsurance recoverables are not defined in this context, supervisory guidance and examples would be of help.</p> <p>Should cell A20 (reinsurance receivables) be included in the sum shown in this cell? It is not in line with reinsurance template J3-cell N1 (Total reinsurance recoverables).</p>	
BS-C1- cell AS20		
BS-C1- cell A23	<p>This comment applies to BS-C1-cells A23 to AS23; cells A29 to AS29.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Where should intra-group insurance receivables be reported: A23 or A29? • We also question whether prepayments are to be included here also. <p>There is a typo in the LOG, this cell is referred to as A25 – AS25, whereas the corresponding cell in the template is numbered A23 – AS23.</p>	
BS-C1- cell AS23		
BS-C1- cell A27	<p>This comment applies to BS-C1-cells A27 to AS27.</p> <p>We propose to merge “cash” and “debts owed to credit institutions” (Cells A27 and L19) in order to report only the net exposure.</p>	
BS-C1- cell AS27		
BS-C1- cell A29	<p>Please refer to BS-C1-cell A23.</p> <p>We assume this category would include prepayments and accrued income. More guidance in the LOG would be helpful to determine what would be included here.</p> <p>The meaning of “regularisation accounts” is unclear.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell AS29		
BS-C1- cell LS1		
BS-C1- cell L1A	<p>This comment applies to BS-C1-cells L1A to L12.</p> <p>It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations.</p> <p>For comparison purposes, it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column. Also displaying gross technical provisions in the statutory accounts column would interfere with the financial statements: the sum accounting items would be not identical with the balance sheet sum reported for accounting purposes. This links to the general comment made that any publication of the Solvency II balance sheet should be without the column of statutory accounting figures.</p> <p>In addition, differences between the two columns for supervisory purposes should be presented as a narrative explanation as opposed to a full accounting reconciliation.</p>	
BS-C1- cell L2		
BS-C1- cell L3		
BS-C1- cell LS4		
BS-C1- cell L4A		
BS-C1- cell L5		
BS-C1- cell L6		
BS-C1- cell LS6B		
BS-C1- cell L6C		
BS-C1- cell L6D		
BS-C1- cell L6E		
BS-C1- cell LS7		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell L7A		
BS-C1- cell L8		
BS-C1- cell L9		
BS-C1- cell LS10		
BS-C1- cell L10A		
BS-C1- cell L11		
BS-C1- cell L12		
BS-C1- cell L23	<p>Many contingent liabilities are treated for accounting purposes as off-balance sheet because it is not clear that if they are liabilities at a balance sheet date. These should only be valued as liabilities in the context of the sale of a business as a whole. Other contingent liabilities may have very low probabilities of a future outflow of funds and so would be likely to be immaterial, and many (particularly, as the IASB has acknowledged in its project to revise IAS 37, those with binary outcomes) would be difficult to value with the required degree of robustness – particularly as a risk adjustment is also to be made, for which no guidance is given. Lastly, this requirement may generally be too onerous to satisfy a cost-benefit test for Solvency II purposes.</p> <p>Therefore we believe that contingent liabilities should not be recognised in the Solvency II-balance sheet. But they should nevertheless be reported on a consistent basis.</p>	
BS-C1- cell L18		
BS-C1- cell LS18		
BS-C1- cell L22	<p>This comment applies to BS-C1-cells L22 to LS22.</p> <p>Approximations should be allowed in order to calculate the Solvency II value for pension benefit obligations. A respective guideline should be included in the general reporting requirements.</p>	
BS-C1- cell LS22		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell L13	<p>This comment applies to BS-C1-cells L13 to LS13.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Should this include all deposits with reinsurers i.e. not just cash? • Cash deposits from reinsurers: The amount of this balance item value might be of minor relevance for some undertakings. 	
BS-C1- cell LS13		
BS-C1- cell L17		
BS-C1- cell LS17		
BS-C1- cell L16	<p>This comment applies to BS-C1-cells L16 to LS16.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We query whether structured notes should be categorised as derivatives, since there is no specific row for structured notes on the liability side? 	
BS-C1- cell LS16		
BS-C1- cell L19	<p>This comment applies to BS-C1-cells L19 to LS19.</p> <p>We don't understand why, on a frequent basis, it is important to split amounts due from credit institutions separately from non-credit institutions, or banks deposits due in less than one year separately from those that are greater than one year. This is not part of IFRS accounts and it is unclear what benefit this information would provide.</p>	
BS-C1- cell LS19		
BS-C1- cell L20		
BS-C1- cell LS20		
BS-C1- cell L15A		
BS-C1- cell LS15A		
BS-C1- cell L15B		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell LS15B		
BS-C1- cell L15C		
BS-C1- cell LS15C		
	<p>This comment applies to BS-C1-cells L15D to LS15D.</p> <p>Regarding the Template BS-C1 cell L15D and the related LOG description, the following problem will result from this approach:</p> <p>In cases when the undertaking issues subordinated debt (which will be considered as equity), reporting only "subordinated liabilities not in BOF", would result in the amount of the issue being significantly reduced by a deferred tax liability amount. The difference between the Solvency II balance sheet and the tax balance sheet must be considered in the calculation of the deferred taxes in general. This is the result of not being included in the line item "subordinated liabilities" and therefore the check of the equity requirements have to be fulfilled in the moment of building up the balance sheet.</p> <p>This mechanism could be avoided if the subordinated liabilities are shown in the line item "subordinated liabilities" in the first step. In a further step (after calculation of deferred taxes) these securities would be adjusted to the equity position.</p> <p>Calculating deferred taxes on subordinated liabilities which are treated as equity must be avoided and have to be clarified in the LOG.</p>	
BS-C1- cell L15D		
BS-C1- cell LS15D		
	<p>In the absence of any further guidance it is assumed that this category will include all other liabilities not picked up elsewhere e.g. creditors arising out of direct insurance operations, preference shares, accruals and deferred income. Guidance needs to be made more explicit as to what can be included here.</p> <p>More definitions on the different items would be helpful to allow more accurate matching of the different balance sheet items.</p>	
BS-C1- cell L25		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1- cell LS25		
BS-C1- cell L26	As per the definition, "subordinated liabilities in BOF", this item is part of BOF and as such should not be viewed as a standalone item. Any comparisons can be performed against template OF-B1 and we do not see the benefit of including it as part of the balance sheet.	
BS-C1B – General	<p>This template contains information that is quite difficult to obtain in an automated way; off-balance sheet items in general remain unclear. Since financial guarantees as well as collateral pledged are of minor relevance to many undertakings, this would mean substantial effort for circumstantial information.</p> <p>"Guarantees received" is taken into account when assets are valued therefore we do not fully understand the rationale for including this information in BS-C1B. Also, we see no need to split collateral pledged and collateral held, dependent on whether it originated from loans made/received and derivative contracts.</p> <p>In some countries, collateral held or pledged are often made under <u>one</u> agreement which encompasses all types of transactions (loans, derivatives) transacted with a counterparty which render a specification meaningless/impossible to make.</p> <p>More detailed descriptions or explanations of the input data is required to avoid confusion and incorrect entries, for example we query whether it is necessary to report information on collateral used to back real estate loans in this template.</p> <p>Also, the LOG explanation of "Maximum value of guarantee received" and "Value of guaranteed liabilities" would benefit from more detail.</p>	
BS-C1B – Purpose		
BS-C1B – Benefits		
BS-C1B – Costs	<p>Please refer to BS-C1-Costs, for general comments.</p> <p>EIOPA acknowledge that it is unlikely the information requested in this template will</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	be held by undertakings at present in this current form. Costs in establishing new reporting systems will be large.	
BS-C1B – Groups	<p>In the situation where an entity has a non-insurance subsidiary which is party to a guarantee that would affect its parent, we presume that this would not be reported by the parent but only in a consolidated report of the ultimate group parent.</p> <p>Double counting must be prevented and therefore intra-group guarantees should not be reported in the group template (cells A3A and A9A). The group template should reflect situation after elimination of IGT.</p>	
BS-C1B – Materiality	<p>It is our opinion that some of these items do not add much value to regular reporting and should only be reported when there are large differences, or a certain threshold in comparison to the reporting of contingent liabilities is exceeded.</p> <p>Please refer to BS-C1-cell L23 for comments on reporting of contingent liabilities.</p>	
BS-C1B-Disclosure		
BS-C1B – Frequency		
	<p>This comment applies to BS-C1B-cells A2 to A3A.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? • With mortgages, it is the building that represents a guarantee for the loan made. Are mortgages to be included? An evaluation of costs and efforts cannot be made without this information. • We question whether this is in fact a business line of insurance. 	
BS-C1B- cell A2		
BS-C1B- cell A3A		
BS-C1B- cell A3C		
BS-C1B- cell B3C		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1B- cell C3C		
BS-C1B- cell D3C		
	This comment applies to BS-C1B-cells A3B to B3B. Further clarification required: <ul style="list-style-type: none"> • Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? • Should covered bonds be reported here? 	
BS-C1B- cell A3B		
BS-C1B- cell B3B		
	This comment applies to A10 – B10. Further clarification required: <ul style="list-style-type: none"> • Should mortgage loans be reported here? • We understand that this position is the market value of the loan made or bond purchased, for which the collateral is received. Clarification in the LOG would be helpful. 	
BS-C1B- cell A10		
BS-C1B- cell B10		
	This comment applies to BS-C1B-cells A12A to B12A. Further clarification required: <ul style="list-style-type: none"> • We understand that this position is the market value of the derivative, for which the collateral is received. Clarification in the LOG would be helpful. 	
BS-C1B- cell A12A		
BS-C1B- cell B12A		
	This comment applies to BS-C1B-cells A13 to B13. In some countries, life insurers receive cash deposits for ceded technical provisions which they invest themselves and which are not separated from their other investments that cover their technical provisions. The reinsurer receives a contractually fixed rate of return on the cash deposits.	
BS-C1B- cell A13		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	We query how the above mentioned position should be reported? It is our understanding that this position is the market value of the ceded technical provision, for which the collateral is received. Clarification on this point would be helpful.	
BS-C1B- cell B13		
BS-C1B- cell A13A	This comment applies to BS-C1B-cells A13A to B13A. We understand that this position is the market value of the loan received and the bond issued, for which the collateral is given. Clarification in the LOG would be helpful.	
BS-C1B- cell B13A		
BS-C1B- cell A14	This comment applies to BS-C1B-cells A14 to B17A. Further clarification required: <ul style="list-style-type: none"> • In the case of quarterly reporting, should the collateral held, be valued at fair value every quarter? For example, revaluation of the FV of property pledge for a mortgage loan? • The revaluation of property pledged, if any, does not seem practical on a quarterly basis. Additional guidance would be helpful. 	
BS-C1B- cell B14		
BS-C1B- cell A15A		
BS-C1B- cell B15A		
BS-C1B- cell A17		
BS-C1B- cell B17		
BS-C1B- cell A17A		
BS-C1B- cell B17A		
BS-C1B- cell A18	Please refer to BS-C1- cell L23 for comments on reporting of contingent liabilities. This comment applies to A18 – B19.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
BS-C1B- cell A5		
BS-C1B- cell A9A		
BS-C1B- cell A9B		
BS-C1B- cell B9B		
BS-C1B- cell C9B		
BS-C1B- cell A19		
BS-C1B- cell B19		
BS-C1D – General	<p>In general, the purpose of requesting this information is not clear. It is often the case that liabilities are mainly covered by assets of the same currency and the net currency risk as a result is low.</p> <p>For undertakings operating on an international basis it will not be possible to report on every currency, for example one legal entity may deal with 116 different currencies. Instead it should be allowed to focus on main currencies, for example every currency that makes more than X% (to be determined) of the transaction volume.</p> <ul style="list-style-type: none"> • Further clarification required: How would hedging (with derivatives as hedging instruments) be reflected in the reporting template? Should the net position be reported? Or should the derivatives be reported separately? It should be considered how hedging should be reflected (this may even depend on whether the hedging is performed by single asset or for a portfolio). • Further at group level, it is not clear how subsidiaries should be reflected in the template. Should the parent company look through the currency positions of the subsidiary or should the subsidiary be included with, for example the adjusted equity value, in the functional currency of the subsidiary? • Cell A20 from BS-C1 will be reported twice in BS-C1D. Once as part of Reinsurance recoverables and once as part of Deposits to cedents 	
BS-C1D – Purpose	<p>We do not believe that conclusions about currency matching of assets and liabilities can be assessed by looking at the balance sheet figures of assets and liabilities.</p> <p><u>Currency mismatches</u></p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>If the undertaking has hedged currency risks with derivatives this template does not give the full picture. There should be, for example, a row stating the amount of assets / liabilities that are hedged with derivatives / nominal value of derivatives.</p> <p><u>Currency Risks</u> There might be currency derivatives contained within the assets that will show greater volatility concerning changes in exchange rates than normal assets. If the intention is to draw conclusions on currency exposures, we would suggest using the respective SCR and risk disclosure and thus currency risk information. There is a specific currency risk module within SCR calculations.</p> <p>Also, to identify currency mismatches and potential currency risks, EIOPA should take into account maturity dates which are not possible in this template.</p>	
BS-C1D – Benefits		
BS-C1D – Costs		
BS-C1D – Groups	<p>This template will be almost impossible to report at group level in its current form. There will be major problems in the consolidation process to split assets and liabilities by currency. We assume EIOPA’s intention is to require reporting in the currency of the subsidiary in which case, adjustment to Group consolidation systems will be substantial and costly.</p> <p>There is a question here over how to assess the currency module at group level. It may be possible to report total assets and total liabilities. There is also the issue that not all entities within the Solvency II group scope will be (re)insurance entities.</p> <p>We propose to delete this template from group reporting requirements or introduce simplifications for the group template.</p>	
BS-C1D – Materiality	We support EIOPA’s proposal to apply a materiality threshold however we would like to highlight that the stated example (currencies representing up to 90% of both assets and liabilities) could be inappropriate for some elements of the balance sheet which do	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>not have a currency for example, excess of assets over liabilities.</p> <p>If the assets are valued at 100€ and the technical liabilities and shares at 90€, the remaining 10€ would be considered as part of the reconciliation reserve.</p>	
BS-C1D-Disclosure		
BS-C1D - Frequency		
BS-C1D- cell A1		
BS-C1D- cell B1		
BS-C1D- cell C1		
BS-C1D- cell D1		
BS-C1D- cell E1		
	<p>We assume that for dual listed investments, the undertaking can choose the currency denomination.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Where derivatives are held and these are for example, cross currency basis swaps, how should these be reported? Also, would it not be preferable to report them based on their economic effect so as to show the hedging impact of the transaction? • Should Collective Investment Schemes (CIS) be done on a 'look through' basis? How should CIS that are not sufficiently transparent be treated for example, where currency information of the underlying assets is not available or cannot be quantified? 	
BS-C1D- cell A3		
	The LOG states that cell A27A from template BS-C1 should map to this cell, however A27A has since been removed from the balance sheet. The LOG should be updated to reflect this.	
BS-C1D- cell A4		
BS-C1D- cell A5	The level of detail available on currency exposure from underlying unit linked funds remains an open issue. We believe this issue should be revisited and that unit	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>linked funds should be reported in the currency of investment rather than looking through to the underlying currency of the various assets and liabilities of the funds. This would be incredibly burdensome for undertakings operating on a cross border basis.</p> <p>This information will be difficult to obtain and in addition we question its meaningfulness. We are of the opinion that this would be more appropriately looked at on a qualitative basis in terms of how the funds manage such risks.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Should Collective Investment Schemes (CIS) be done on a 'look through' basis? • How should CIS that are not sufficiently transparent be treated, where currency information of the underlying assets is not available or cannot be quantified? 	
BS-C1D- cell A5A		
BS-C1D- cell A6	Please refer to BS-C1-cell A20 for comments on reinsurance receivables.	
BS-C1D- cell A7	There should be a convergent approach towards categorisation of "any other assets". BS-C1-cell A29 is also titled "any other assets" yet EIOPA include additional cells in the formula to calculate this cell.	
BS-C1D- cell A8	We propose that the risk margin be reported at entity level.	
BS-C1D- cell A9		
BS-C1D- cell A10	We query whether the item in the LOG should read, "deposits from reinsurers and insurance <u>intermediaries</u> and reinsurance payables".	
BS-C1D- cell A11		
BS-C1D- cell A12		
BS-C1D- cell A13	Please refer to BS-C1- cell L23 for comments on reporting of contingent liabilities.	
BS-C1D- cell A14	There should be a convergent approach towards categorisation of "any other	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>liabilities". BS-C1-cell L25 is also titled "any other liabilities" yet EIOPA include additional cells in the formula to calculate this cell.</p> <p>We query whether L15D and L26 are "other liabilities" or "financial liabilities", in which case they would be reported in cell A12 of this template.</p>	
BS-C1D- cell A16		
Country-K1- General	<p>This template requires information by class and not by LOB, we understand that this is due to drafting in the Level 1 text and we would urge EIOPA to support the industry in changing this via the Omnibus II proposal.</p> <p>Information on risk location is not easily provided or relevant for all contracts, e.g. motor insurance. With regards to "Frequency of claims for Motor Vehicle Liability" and "Average cost of claims for Motor Vehicle Liability" (except carrier's liability the information requested is different from the premium information, the 2 are not related.</p> <p>Article 159 of the Framework Directive requires "the amount of premiums, claims and commissions, without deduction of reinsurance". Therefore this template should be restricted to direct business only. (Direct) insurance undertakings might also accept reinsurance business, but as the template is not applicable for reinsurance undertakings, the information should exclude accepted reinsurance business.</p> <p>Templates Country K1 and A1 are consistent in many ways but inconsistent in others, for example, K1 refers to "commission" and A1A/Q refers to "expenses". Clarification from EIOPA would be helpful on this matter.</p> <p>Some items will be difficult to allocate to countries, especially some corporate partnerships business or reinsurance covers. We would propose to include a column dealing only with business entirely written on a pan-European basis.</p> <p>In general, claims information is not be homogeneous across the EU. The scope of</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	coverage is different and countries will identify claims and undertakings in different ways. Since data will not be comparable, we query the added value of this information for supervisory purposes.	
Country-K1- Purpose	<p>EIOPA has indicated that the benefit of this template is “describing activity carried out abroad, as required by Article 159 of the Level 1 text.”</p> <p>Article 159 refers only to analysis by member state, analysis for non-member states is not included. We believe that this template goes beyond the stated purpose of EIOPA and for this reason; information requirements relating to non-EEA member states should not be required.</p>	
Country-K1- Benefits	Please refer to Country-K1-Purpose.	
Country-K1- Costs		
Country-K1- Groups		
Country-K1- Materiality	<p>This template should not require information from non-EEA member states, please refer to Country-K1-Purpose. We propose that EIOPA delete these columns completely.</p> <p>Additionally, we would propose a materiality threshold for EEA-jurisdictions and non-material FOS undertakings. Undertakings whose FOS activities are immaterial (mainly serving local companies that have established foreign activities) have not built their systems to deliver this kind of detailed information.</p>	
Country-K1- Disclosure		
Country-K1- Frequency		
Country-K1- cell A1	<p>Applies to Country-K1 cells A1; C1; D1; E1; H1; H1A.</p> <p>There is a double segmentation. (LOBs and classes) used in the various templates; please refer to Country-K1-General. Further clarification is required on how “number of claims” should be determined.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Country-K1- cell A2		
Country-K1- cell A3		
Country-K1- cell A4		
Country-K1- cell C1	<p>This comment applies to Country-K1-cells C1 to C3.</p> <p>The title of this cell should be changed to "claims paid including salvage & subrogation".</p> <p>We also question how to calculate claims i.e. whether they should refer to an event or open claims.</p>	
Country-K1- cell C2		
Country-K1- cell C3		
Country-K1- cell C4		
Country-K1- cell E1	<p>This comment applies to Country-K1 cells E1 to E4.</p> <p>There will be difficulties in untangling commission data against specific components of premiums, depending on whether or not the data is reported by LOB or Class.</p> <p>We query how acquisition costs should be defined, for example should the acquisition costs include allocated overheads? Should this be gross or net of commissions received from reinsurers for ceded business? It seems unclear whether the definition used by EIOPA is consistent with IFRS; it appears deferred acquisition costs are treated differently.</p>	
Country-K1- cell E2		
Country-K1- cell E3		
Country-K1- cell E4		
Country-K1- cell H1	<p>This comment applies to cells Country-K1-cells H1 to H3A.</p> <p>This information (frequency/average cost of claim) is not available for</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	reinsurance business. In general, further clarification would be helpful on how to calculate "average claim paid".	
Country-K1- cell H2		
Country-K1- cell H3		
Country-K1- cell H1A		
Country-K1- cell H2A		
Country-K1- cell H3A		
Cover-A1A & Q- General	<p>This template includes a mix of statutory accounting principles (premiums written and premiums earned) and Solvency II cash flow basis (claims and expenses). This will be incredibly difficult to present as a common set of definitions will not be understood across both accounting and Solvency II. It should be very clear in the LOG which set of data is required from each discipline to avoid confusion and facilitate presentation in one template.</p> <p>Although premiums and claims can easily be divided into product types, "expenses paid" are not always precisely allocated to contracts or parts of the portfolio. There is room for judgement, especially in relation to overhead expenses. This template may require changes in the data source extraction and judgment on how to present/allocate "expenses paid" between different types of portfolio (contracts).</p> <p>In general, we question the use of the term "paid", particularly when applied to "expenses paid", it may be the case that some expenses are paid on a cash basis (where a physical payment has been made). This would be incredibly difficult to present in this template if accounting is done on an accrual basis.</p> <p>It should be clear that when statutory accounting is the starting point, this would refer to the accounting standards practiced by the undertaking. The terminology used in the LOG should allow for the correct mapping of this.</p> <p>Segmentation We note that the segmentation used in this template is similar, but not identical, to that used in other templates, for example Technical Provisions Life. Reporting LOB at</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

this aggregate level is consistent with the draft Level 2 text and we would propose that this approach is also applied to TP-F1 and F1Q i.e. the split of contracts with options and guarantees and without, should be removed. There are open issues on segmentation which also apply here, for example workers compensation. We query whether workers compensation must be split between SLT and NSLT, this would be burdensome.

Please note that for gross business and for the reinsurers' share, there might be some distortions because of different LOBs for primary insurance gross business/assumed proportional reinsurance and non-proportional ceded business.

As the recoverable from reinsurance contracts have to be segmented into homogeneous risk groups (Article 81 of the framework directive), this would imply that proportional ceded business is separated from non-proportional ceded business. Therefore a primary company will show the reinsurer's share, proportional business, within the same segment as the gross business. Whereas the reinsurer's share, non-proportional business, will be shown within the respective non-proportional segment. In cases where the insurer accepts some non-proportional business, this has to be interpreted carefully.

In addition, for reinsurers the retro-ceded part of their business could be even more problematic regarding segmentation; assumed business could be non-proportional, whereas the ceded part could be retro-ceded as proportional business.

Split by country

The reinsurance business model means that they often insure a portfolio of risks as opposed to direct risks. This means that information per country will not be held by the reinsurer directly.

For example, some treaties with construction companies do not specify the location of the insured construction site but refer to any construction in a given year. Consequently data about localisation of risks (and premiums) is not available. The same applies to the actual residence of insured persons (Life).

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	It should be clarified that for reinsurers, the breakdown per country applies to the country of the cedent and not the location of risk.	
Cover-A1A & Q- Purpose	Please refer to Cover-A1-General.	
Cover-A1A & Q- Benefits	Please refer to Cover-A1- General.	
Cover-A1A & Q- Costs	Please refer to Cover-A1-General.	
Cover-A1A & Q- Groups	<p>This template should be manageable at group level however we would suggest removing the split by country (cells A19-A23); at group level this is an unnecessary requirement.</p> <p>We query if it is required to eliminate group internal business or if it is sufficient to sum-up all of the subsidiaries within the group. For example:</p> <p>A direct insurer writes EUR 100mn premiums externally ("Gross-Direct Business": EUR 100mn). Of this EUR 100mn 30% is ceded internally of the Group ("Gross - Reinsurance accepted": EUR 30mn; and "Reinsurer's share": EUR -30mn).</p> <p>The screen-shot below shows the aggregation alternative. The advantages being that no sophisticated consolidation process is required and on a net basis, the profit contribution is correct.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

Non-life

	Line of Business for: non-life obligations
	Accident insurance (1)
Premiums written	
<i>Gross - Direct Business</i>	100
<i>Gross - Reinsurance accepted</i>	30
<i>Reinsurers' share</i>	-30
<i>Net</i>	100
Claims paid	
<i>Gross - Direct Business</i>	E1
<i>Gross - Reinsurance accepted</i>	F1
<i>Reinsurers' share</i>	G1
<i>Net</i>	H1=E1+F1-G1
Expenses paid	
<i>Gross - Direct Business</i>	E1A
<i>Gross - Reinsurance accepted</i>	F1A
<i>Reinsurers' share</i>	G1A
<i>Net</i>	H1A=E1A+F1A-G1A

Cover-A1A & Q- Materiality

We support EIOPA's initiative to introduce a materiality threshold however we are unable to provide feedback on proposed percentage (90%) within the timeframe of this consultation.

Cover-A1A & Q- Disclosure

CEA supports EIOPA's move towards developing a simplified template for public disclosure and we propose that this template also be used for supervisory purposes. We do not see how the split of expenses into sub categories enhances the insight in activities per LOB.

Cover-A1A & Q- Frequency

We believe that any quarterly reporting should allow for the use of approximations.

For reinsurance, especially for non-proportional business, payments for ceded business are often accounted for only on a yearly basis. Quarterly reporting on the reinsurer's share would be incomplete therefore an annual frequency for reporting this

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>information should be required.</p> <p>Also, settlement of reinsurance may only take place twice a year (some treaties only once per year). Usually the first settlement during the year is based on an approximation and only the final settlement at year end is based on real experience. Therefore net values could not be calculated quarterly.</p> <p>A materiality threshold could be applied here for example, if the reinsurance share accounts X% (to be determined) of total technical provisions, no quarterly reporting of reinsurance business would apply.</p>	
Cover-A1A- cell A1	<p>This comment applies to Cover-A1A-cells A1 to D1.</p> <p>It would be helpful to clarify if proportionality applies to the reporting of premiums and claims by LOB, especially where activity is small. Otherwise, providing such data would become unduly onerous.</p> <p>The definition provided in the LOG states that written premiums should be defined as "all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later financial year".</p> <p>What is not clear is whether this should take into consideration the undertaking's credit arrangements, for example if this should include premiums from contracts entered into in the financial year regardless of whether they are not due because of insurer allowing a credit period to the insured. Also, we query how to treat written premiums paid in instalments, for example if it should follow pre-IFRS deposit accounting reporting, i.e. all premiums received, or just premiums received on insurance contracts and not investment contracts.</p> <p>We propose that the definition of written premiums should be as follows: <i>Premiums due from the insurance contracts written in the financial year regardless of the fact that such amounts may relate in whole or in part to a later financial year.</i></p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Further clarification required:</p> <ul style="list-style-type: none"> • Whether this cell refers to all premiums received or just premiums received on insurance contracts and not investment contracts. • How is the location of risk defined in cargo insurance? • Only premiums and claims paid are mentioned. Should not commissions paid also be reported? 	
Cover-A1A- cell A2		
Cover-A1A- cell A3	In some countries, reporting of workers compensation insurance may prove problematic where it is split by HSLT and HNSLT.	
Cover-A1A- cell A4		
Cover-A1A- cell A5		
Cover-A1A- cell A6		
Cover-A1A- cell A7		
Cover-A1A- cell A8		
Cover-A1A- cell A9		
Cover-A1A- cell A10		
Cover-A1A- cell A11		
Cover-A1A- cell A12		
Cover-A1A- cell A19	<p>This comment applies to cells Cover-A1A-cells A19 to A23.</p> <p>The business split according countries where the risk is located is, for some non-life business, not applicable. For Marine/ Transport, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown.</p> <p>For Health insurance, the insured person might also be insured on travelling; therefore no country could be assigned.</p> <p>The same holds for Life Reinsurance. Due to the fact, that worldwide coverage is provided, and that risks located in different countries are often reinsured under one</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>treaty, local loss events (e.g. Tsunami in Thailand or catastrophe of the funicular in Kaprun) affect risks located in different countries and treaties underwritten in different countries. Hence the proposed split is not useful.</p> <p>Please refer to Cover-A1A-General for comments on reinsurers.</p>	
Cover-A1A- cell A20		
Cover-A1A- cell A21		
Cover-A1A- cell A22		
Cover-A1A- cell A23		
Cover-A1A- cell B1		
Cover-A1A- cell B2		
Cover-A1A- cell C1		
Cover-A1A- cell A1A		
Cover-A1A- cell B1A		
Cover-A1A- cell C1A		
Cover-A1A- cell E1	Splitting salvage and subrogation from gross claims paid makes reporting substantially more difficult.	
Cover-A1A- cell F1		
Cover-A1A- cell G1		
Cover-A1A- cell E1A		
Cover-A1A- cell F1A		
Cover-A1A- cell G1A		
Cover-A1A- cell E1B	The required split into gross-direct business, gross reinsurance accepted and reinsurers share is not carried out by many insurers. We propose to report the investment management expense in total instead.	
Cover-A1A- cell F1B		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Cover-A1A- cell G1B		
Cover-A1A- cell E1C		
Cover-A1A- cell F1C		
Cover-A1A- cell G1C		
Cover-A1A- cell E1D	We query how are Acquisition expenses are to be defined and query if it is similar to commissions as defined in Country K1 cells E1-E4. This comment applies to Cover – A1A-cells E1D to G1D.	
Cover-A1A- cell F1D		
Cover-A1A- cell G1D		
Cover-A1A- cell E1E		
Cover-A1A- cell F1E		
Cover-A1A- cell G1E		
Cover-A1A- cell I1		
Cover-A1A- cell I2		
Cover-A1A- cell I3		
Cover-A1A- cell I3A		
Cover-A1A- cell I3B	The required split into premiums written, premium earned etc. for annuities cannot be fulfilled by all insurers, especially by SMEs. Here, we propose to use aggregates instead.	
Cover-A1A- cell I4		
Cover-A1A- cell I5		
Cover-A1A- cell I6	To allow for analysis at the level of major LOB, systems mapping changes will be required.	
Cover-A1A- cell I7	Please refer to Cover-A1-cell A19.	
Cover-A1A- cell I8	Please refer to Cover-A1-cell A19.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Cover-A1A- cell I9	Please refer to Cover-A1-cell A19.	
Cover-A1A- cell I10	Please refer to Cover-A1-cell A19.	
Cover-A1A- cell I11	Please refer to Cover-A1-cell A19.	
Cover-A1A- cell J1	Non-proportional reinsurance cannot be allocated to this cell. Please refer to Cover A1A-General.	
Cover-A1A- cell I11A	<p>The comments in this cell refer to Cover-A1A-I1A for which there is no corresponding feedback cell in this template.</p> <p>Earned Premiums are not currently calculated for life business. This is a new requirement as TP-E5, which originally carried this information, referred to non-life only. Clarification on our interpretation would be helpful.</p> <p>The LOG document provides for 2 types of earned premiums, "earned premiums in any 12 month period" and "earned premiums". The first is for risk exposure and part of the written premium. The latter is received in the period, includes all expenses and commissions, but excludes charges. It is very unclear to us what is required. The cell should specifically refer to one requirement otherwise there will be confusion over the data to be reported.</p>	
Cover-A1A- cell J1A		
Cover-A1A- cell L1		
Cover-A1A- cell M1		
Cover-A1A- cell L1A	<p>This comment applies to Cover-A1A-cells L1A to M1A. Please refer to Cover-A1A-General for comments on "expenses".</p> <p>High implementation costs are expected because of the required split of expenses (administrative, investment management, claims management etc.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	expenses) per LOB and countries. Further clarification is required on what is meant by "expenses paid" for life business.	
Cover-A1A- cell M1A		
Cover-A1A- cell O1	This comment applies to Cover-A1A-cells O1 to P1. Please refer to Cover-A1A-General for comments on "expenses". Investment management expenses are not part of the "underwriting performance" and we question why they should be included here.	
Cover-A1A- cell P1		
Cover-A1A- cell O1A		
Cover-A1A- cell P1A		
Cover-A1A- cell O1B		
Cover-A1A- cell P1B		
Cover-A1A- cell O1C	This comment applies to Cover-A1A-cells O1C to O1P. Please refer to Cover-A1A-General for comments on "expenses". We query the difference in definition of overhead expenses compared to administrative expenses and also why they are listed in this template.	
Cover-A1A- cell P1C		
Cover-A1Q- cell A1	For comments related to Cover-A1Q cells, please refer to the equivalent cell in Cover-A1A.	
Cover-A1Q- cell A2		
Cover-A1Q- cell A3		
Cover-A1Q- cell A4		
Cover-A1Q- cell A5		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
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 A19		
Cover-A1Q- cell A20		
Cover-A1Q- cell A21		
Cover-A1Q- cell A22		
Cover-A1Q- cell A23		
Cover-A1Q- cell B1		
Cover-A1Q- cell B2		
Cover-A1Q- cell C1		
Cover-A1Q- cell E1		
Cover-A1Q- cell F1		
Cover-A1Q- cell G1		
Cover-A1Q- cell E1Z		
Cover-A1Q- cell F1Z		
Cover-A1Q- cell G1Z		
Cover-A1Q- cell I1		
Cover-A1Q- cell I2		
Cover-A1Q- cell I3		
Cover-A1Q- cell I3A		
Cover-A1Q- cell I3B		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Cover-A1Q- cell I4		
Cover-A1Q- cell I5		
Cover-A1Q- cell I6		
Cover-A1Q- cell I7		
Cover-A1Q- cell I8		
Cover-A1Q- cell I9		
Cover-A1Q- cell I10		
Cover-A1Q- cell I11		
Cover-A1Q- cell L1		
Cover-A1Q- cell M1		
Cover-A1Q- cell L1Z		
Cover-A1Q- cell M1Z		
OF-B1A & B1Q – General	<p>The reporting requirement for Basic Own funds as proposed in template OF – B1 is mixing statutory (IFRS) and economic principles. It appears that accounting balance sheets are to be used as a basis for this template to which Solvency II items are added as reconciliation items. Instead, we believe that the Solvency II balance sheet should be used as a basis for reporting on own funds.</p> <p>The proposed annual template is too detailed and we believe a simplified version, similar to the quarterly template, should be used instead.</p> <p>As currently proposed, these templates would require feeds from two different sources of data: financial reporting basis (profit and loss) and Solvency II basis, hence increasing the complexity of the completion process and a design of automated reporting.</p> <p>The templates should be designed to enable completion by using direct links to the Solvency II Balance sheet. The design of the template should allow for components of Basic own funds to be taken directly from Solvency II database and allow reconciliations with template BS-C1; this would help to better understand the</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

information.

The template appears to be weighted more towards lower tiers and ancillary capital which are required only to make up the smaller proportion of the capital.

We do not understand why EPIFP is reported separately and not as a total of BOF. While we acknowledge the importance of liquidity risk management, we do not understand the rationale behind monitoring EPIFP separately from other cash inflows and cash outflows. Insurers have already gathered experience in managing liquidity risk. In addition, liquidity risk management will be assessed through the supervisory review process under Solvency II.

Please refer to OF-B1A- cell B30 for further comments on EPIFP.

We query EIOPA’s intention to analyse movements in preference shares and ancillary OF. A worked example might be helpful to envisage EIOPA’s intention here.

The eligibility judgements and the tiering should not be a part of the ordinary balance sheet process. If we are going to report opening/closing balances per tier then this should be done via the general ledger to keep track of movements in the underlying items, including any currency effects. This will be burdensome and does not add any value for supervisory purposes. (See example cell A102 – E10).

Further clarification required:

- Is it possible to reconcile basic own funds according to statutory accounts (cell A1-A6) with cell LS27 in BS-C1 and total BOF according to cell A21 with the corresponding cell in BS-C1?
- It should be clarified, that the undertaking can decide, according to which GAAP “the retained earnings or other reserves” are presented. However see also our comment on the starting point of the calculations (financial reporting or the economic balance sheet).
- What is the difference between “total eligible own funds to meet the SCR” and “total available own funds to meet the SCR (solo)?

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> Feedback would be welcomed on the treatment of Eligible Own Funds, in terms of how own funds are compared to the SCR with reference to the limits for eligible own funds. 	
OF-B1A & B1Q – Purpose	<p>We find the new Own-Funds reporting requirements to be incredibly complex and believe they will create a costly, burdensome and hard-to-handle process for the European insurance industry.</p> <p>We also query how EIOPA will manage to extract meaningful information from this large data set in a way that can ensure Solvency II is easily enforceable. We believe that the current proposals will make this a difficult task.</p> <p>Own-fund reporting should be revised in such a way that will allow supervisory authorities to derive “quality and quantity” as stated in the framework directive. All add on and unnecessary data which do not fulfil this purpose should be deleted for example, movement data, split from reconciliation reserve, information concerning: EPIFP, nominal values, buy back during the year.</p>	
OF-B1A & B1Q – Benefits	<p>During the short timeframe to comment, the CEA has been unable to undertake a full cost/impact assessment however we believe the impact of these templates on industry will be large.</p>	
OF-B1A & B1Q – Costs	<p>Please refer to OF-B1A & B1Q-Benefits</p> <p>Full quarterly reporting will result in an increase in the necessary activities. Similar to the calculation of the MCR we would stress the importance of the use of simplifications in the various underlying calculations. The proportionality principle should also apply here, we would suggest basing this on triggers and level of capitalisation required, for example the risk profile.</p>	
OF-B1A & B1Q – Groups	<p>This template will be incredibly difficult for groups to report on a quarterly. Bi-annual reporting should be the maximum infra-annual frequency applied at group level.</p> <p>To be useful for groups, this template needs some adjustment, for example “non-</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>transferable own funds” and “treatment of participations”. A link should be made with the OF group specific templates.</p> <p>We query whether proportionality would be applied in terms of group size, for many groups this will be excessive. Annual reporting of B1Q is generally considered manageable at group level whereas B1A is more complex and care should be taken not to introduce areas where double counting may be an issue.</p> <p>For non-listed groups and in general, those who do not compile their financial accounts according to IFRS, these own funds templates will be more problematic to report.</p> <p>Some of the supervisory regimes of non-EEA operations are likely to be recognised as equivalent (or transitional equivalence) to the Solvency II regime (e.g. Bermuda, Switzerland, Japan). The ability to report the local statutory own funds of these third party regimes, as part of the group solvency calculation, is not possible within these QRTs. We propose the equivalent (or transitional equivalence) insurance business own funds to be reported as one new line item.</p>	
OF-B1A & B1Q – Materiality	It should be possible to merge minor and non-material RFF according to a materiality threshold.	
OF-B1A & B1Q-Disclosure	<p>Annual statements are already disclosed by companies, Solvency II should refrain from becoming a form of accounting disclosure.</p> <p>These templates could be greatly simplified to enhance overall understanding of an undertaking’s own funds and should include information on:</p> <ul style="list-style-type: none"> • Basic own funds; • Subordinated liabilities; • Ancillary own funds; • The above 3 items split by tier – similar to a double entry table; • High level basic own funds/subordinated liabilities reconciliation. <p>This could be supplemented by a narrative explanation as to how the undertaking</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>reached these results. If the information is presented in an overly complex manner, and the reader requires professional skills to interpret them (for example statistical), then the benefits of disclosing the templates will be negligible.</p> <p>Additionally, we have a number of concerns around both the definition and calculation methodology of EPIFP. Any requirement to calculate, disclose or apply a specific treatment to EPIFP will create additional costs for industry and consequently for consumers without enhancing policyholder protection. We have concerns that if EPIFP is disclosed, this would be misunderstood by financial markets and could lead to inappropriate conclusions. As there is no appropriate calculation methodology for EPIFP, but only proxies, it does not seem relevant to disclose these figures publicly or indeed as a standalone item under Solvency II reporting.</p> <p>If a solvency ratio has to be publicly disclosed then it must be ensured that the rate is adequately showing the tiering of own funds. The CEA believes that any public disclosure should be at a high level as this would be sufficient to determine the strength of own funds.</p> <p>In addition to the above, we have concerns over disclosing the following items:</p> <ul style="list-style-type: none"> • It would not be appropriate to disclose the adjustments for ring fenced funds; • Some of the items under ancillary own funds, such as letters of credit and guarantees, should not disclose the underlying counterparty. In the case of Mutual's, this could refer to policyholders. 	
OF-B1A & B1Q – Frequency	<p>Full quarterly reporting will present problems for the insurance industry as it represents a significant additional reporting requirement. The CEA therefore requests that information on aggregate totals or approximations are accepted to facilitate quarterly reporting. Production of full own funds and capital on a quarterly basis would require significant additional resources to produce alongside current GAAP/IFRS reporting deadlines.</p> <p>For Groups, quarterly reporting would present a significant challenge to gather and compile this level of detail for all subsidiaries. Consideration should be given to the methods used for the calculation of group solvency capital</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	requirements and whether they are reflected in the template. Instead, groups could provide this data when a significant change has taken place.	
OF-B1A- cell C1A		
OF-B1A- cell B5		
OF-B1A- cell C5		
OF-B1A- cell D5		
OF-B1A- cell B6	Further guidance on the difference between the revaluation reserve, other Solvency II items, reconciliation reserves and other reserves would be helpful.	
OF-B1A- cell B10	This information will be required for Solvency II purposes, a valuation model will be developed to value sub-debt. Sourcing the data will not be problematic.	
OF-B1A- cell C10	Please refer to OF-B1A- cell B10.	
OF-B1A- cell D10	Please refer to OF-B1A- cell B10.	
OF-B1A- cell B11		
OF-B1A- cell C11		
OF-B1A- cell B14	The total of adjustments to participations A14 should be equal to A89. From an IFRS reporting perspective, the data value should be readily available from existing processes once technical analysis has been carried out to determine which subsidiaries fall within the definitions of "financial and credit institutions".	
OF-B1A- cell C14		
OF-B1A- cell B17	The data value will be determined by applying the Solvency II tiering restrictions, therefore we can assume the data will be readily available. There appears to be duplication between row 17 and row 16.	
OF-B1A- cell C17	Please refer to OF - B1A - cell B17.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	With regards to OF-B1A-cells B16, C16 and D16, examples of "other items" would be helpful.	
OF-B1A- cell D17		
OF-B1A- cell B18		
OF-B1A- cell C18		
OF-B1A- cell D18		
OF-B1A- cell D14		
OF-B1A- cell D11		
OF-B1A- cell D15		
OF-B1A- cell B25	The formula in B26 appears to miss cells A13 and A16.	
OF-B1A- cell B30	Please refer to OF-B1A & B1Q-Disclosure for comments on EPIFP.	
OF-B1A- cell B31	Please refer to OF-B1A- cell B30.	
	Further clarification on the layout of the template is required to prevent potential confusion if these details are meant to be publically disclosed. With regards to "eligibility SCR", clarification would be helpful on the following view concerning "B33<=B32": Even if the tier 1 available amount (B32) is higher than the SCR, here the minimum amount to comply with eligibility (that is 50% of the SCR) could be posted. Then the remaining 50% can be filled in C33 (tier 2) and D33 (Tier 3) within their limits.	
OF-B1A- cell C33		
OF-B1A- cell C34		
OF-B1A- cell C35		
OF-B1A- cell D35		
OF-B1A- cell C36		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell D36		
OF-B1A- cell C37		
OF-B1A- cell C38		
OF-B1A- cell D38		
OF-B1A- cell C39		
OF-B1A- cell C40		
OF-B1A- cell D40		
OF-B1A- cell C41		
OF-B1A- cell D41		
OF-B1A- cell C42		
OF-B1A- cell D42		
OF-B1A- cell A45	<p>The explanatory text in the LOG would benefit from additional detail, for example that the value should reflect the proportional share of the undertaking's own funds according to relevant sectoral rules.</p> <p>Further alignment with the draft level 2 text of the EC would also be beneficial:</p> <ul style="list-style-type: none"> • Inclusion of "credit institutions" in own funds according to Article 323 bis SCG3, Para 1. (e); • Recognition of participations via the "adjusted equity method" (according to Article 323 bis SCG3, Para 1. (d) & (f)). <p>This comment applies to A45C for which there is no reference cell in the feedback template.</p> <p>It should be clear that A45C is a sum of other cells $A45C=A45+A45A+A45B$.</p>	
OF-B1A- cell A45A	Please refer to OF-B1A- cell A45.	
OF-B1A- cell A45B		
OF-B1A- cell B60		
OF-B1A- cell C60	The sign of the reduction is not defined although it can be concluded from the example	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	that the negative impact to the company (reduction) is denoted by + sign, it would be helpful to state this explicitly.	
OF-B1A- cell B61	Please refer to OF-B1A- cell C60.	
OF-B1A- cell C61	Please refer to OF-B1A- cell C60.	
OF-B1A- cell B62		
OF-B1A- cell C62	Please refer to OF-B1A- cell C60.	
OF-B1A- cell B64	<p>This cell can consist of 1) Movements in underlying item, 2) Currency effects, or 3) Changes in eligibility. This way of reporting does not provide the supervisor with information about what the change consists of.</p> <p>Tiering and Eligibility should be excluded so that the movement only consists of currency effects and changes in underlying items.</p> <p>Eligibility and tiering are Solvency II processes that should be kept out of the balance sheet. We propose to work only with closing balances, i.e. the columns should be from left to right: 1) balance carried forward, 2) eligibility adjustments, 3) tier 1, 4) tier 2 and 5) tier 3.</p>	
OF-B1A- cell C64	Please refer to OF-B1A- cell C60 (sign of the reduction) and OF-B1A- cell B64 (tiering and eligibility).	
OF-B1A- cell B65	Please refer to cell OF-B1A- cell B64 (tiering and eligibility).	
OF-B1A- cell C65	Please refer to OF-B1A- cell C60 (sign of the reduction) and OF-B1A- cell B64 (tiering and eligibility).	
OF-B1A- cell B70		
OF-B1A- cell C70		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell B71		
OF-B1A- cell C71		
OF-B1A- cell B73		
OF-B1A- cell C73		
OF-B1A- cell D73		
OF-B1A- cell E73		
OF-B1A- cell F73		
OF-B1A- cell B74		
OF-B1A- cell C74	IFRS reporting processes include requirements on determining the existence of letters of credit and guarantees. Technical analysis will need to be carried out to confirm the treatment of these items under Solvency II rules on Own Funds.	
OF-B1A- cell D74	Please refer to OF-B1A- cell C74.	
OF-B1A- cell E74		
OF-B1A- cell F74		
OF-B1A- cell B75		
OF-B1A- cell C75		
OF-B1A- cell D75		
OF-B1A- cell E75		
OF-B1A- cell F75		
OF-B1A- cell A77.1	This could result in a long list, we would propose to show this in a separate template or to allow aggregation by nature of the ancillary own funds, for example "member's call". The example in the LOG is not in the ISO8601 format. Clarification would be helpful that this format is the one which should be followed.	
OF-B1A- cell B77.1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell C77.1		
OF-B1A- cell D77.1		
OF-B1A- cell E77.1		
OF-B1A- cell F77.1		
OF-B1A- cell G77.1		
OF-B1A- cell H77.1		
OF-B1A- cell I77.1		
OF-B1A- cell J77.1		
OF-B1A- cell K77.1		
OF-B1A- cell L77.1		
OF-B1A- cell M77.1		
OF-B1A- cell N77.1		
OF-B1A- cell A77.n		
OF-B1A- cell B77.n		
OF-B1A- cell C77.n		
OF-B1A- cell D77.n		
OF-B1A- cell E77.n		
OF-B1A- cell F77.n		
OF-B1A- cell G77.n		
OF-B1A- cell H77.n		
OF-B1A- cell I77.n		
OF-B1A- cell J77.n		
OF-B1A- cell K77.n		
OF-B1A- cell L77.n		
OF-B1A- cell M77.n		
OF-B1A- cell N77.n		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell B79		
OF-B1A- cell C79		
OF-B1A- cell D79		
OF-B1A- cell E79		
OF-B1A- cell F79		
OF-B1A- cell B80		
OF-B1A- cell C80		
OF-B1A- cell D80		
OF-B1A- cell E80		
OF-B1A- cell F80		
OF-B1A- cell B81		
OF-B1A- cell C81		
OF-B1A- cell D81		
OF-B1A- cell E81		
OF-B1A- cell F81		
OF-B1A- cell B83	Please refer to OF-B1A- cell B64.	
OF-B1A- cell C83		
OF-B1A- cell D83		
OF-B1A- cell B84	Please refer to OF-B1A- cell B64.	
OF-B1A- cell C84		
OF-B1A- cell D84		
OF-B1A- cell B85	Please refer to OF-B1A- cell B64.	
OF-B1A- cell C85		
OF-B1A- cell D85		
OF-B1A- cell A87.1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell B87.1		
OF-B1A- cell C87.1		
OF-B1A- cell D87.1		
OF-B1A- cell E87.1		
OF-B1A- cell F87.1		
OF-B1A- cell G87.1		
OF-B1A- cell H87.1		
OF-B1A- cell I87.1		
OF-B1A- cell J87.1		
OF-B1A- cell K87.1		
OF-B1A- cell L87.1		
OF-B1A- cell M87.1		
OF-B1A- cell N87.1		
OF-B1A- cell A87.n		
OF-B1A- cell B87.n		
OF-B1A- cell C87.n		
OF-B1A- cell D87.n		
OF-B1A- cell E87.n		
OF-B1A- cell F87.n		
OF-B1A- cell G87.n		
OF-B1A- cell H87.n		
OF-B1A- cell I87.n		
OF-B1A- cell J87.n		
OF-B1A- cell K87.n		
OF-B1A- cell L87.n		
OF-B1A- cell M87.n		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell N87.n		
OF-B1A- cell B88		
OF-B1A- cell C88		
OF-B1A- cell B89		
OF-B1A- cell B90		
OF-B1A- cell C90		
OF-B1A- cell B92		
OF-B1A- cell C92		
OF-B1A- cell D92		
OF-B1A- cell E92		
OF-B1A- cell F92		
OF-B1A- cell B93		
OF-B1A- cell C93		
OF-B1A- cell D93		
OF-B1A- cell E93		
OF-B1A- cell F93		
OF-B1A- cell B94		
OF-B1A- cell C94		
OF-B1A- cell D94		
OF-B1A- cell E94		
OF-B1A- cell F94		
OF-B1A- cell B96	Please refer to OF-B1A- cell B64.	
OF-B1A- cell C96		
OF-B1A- cell D96		
OF-B1A- cell E96		
OF-B1A- cell B97		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell C97		
OF-B1A- cell D97		
OF-B1A- cell E97		
OF-B1A- cell B98		
OF-B1A- cell C98		
OF-B1A- cell D98		
OF-B1A- cell E98		
OF-B1A- cell A100.1		
OF-B1A- cell B100.1		
OF-B1A- cell C100.1		
OF-B1A- cell D100.1		
OF-B1A- cell E100.1		
OF-B1A- cell F100.1		
OF-B1A- cell G100.1		
OF-B1A- cell H100.1		
OF-B1A- cell I100.1		
OF-B1A- cell J100.1		
OF-B1A- cell K100.1		
OF-B1A- cell L100.1		
OF-B1A- cell M100.1	We question whether "notice" is the last point in time when the borrower of a subordinated loan is supposed to notify the lenders that it wants to pay back the loan on a call date?	
OF-B1A- cell N100.1		
OF-B1A- cell A100.n		
OF-B1A- cell B100.n		
OF-B1A- cell C100.n		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell D100.n		
OF-B1A- cell E100.n		
OF-B1A- cell F100.n		
OF-B1A- cell G100.n		
OF-B1A- cell H100.n		
OF-B1A- cell I100.n		
OF-B1A- cell J100.n		
OF-B1A- cell K100.n		
OF-B1A- cell L100.n		
OF-B1A- cell M100.n		
OF-B1A- cell N100.n		
OF-B1A- cell B102		
OF-B1A- cell C102		
OF-B1A- cell D102		
OF-B1A- cell B103		
OF-B1A- cell C103		
OF-B1A- cell D103		
OF-B1A- cell B104		
OF-B1A- cell C104		
OF-B1A- cell D104		
OF-B1A- cell A106.1		
OF-B1A- cell B106.1		
OF-B1A- cell C106.1		
OF-B1A- cell D106.1		
OF-B1A- cell E106.1		
OF-B1A- cell F106.1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell G106.1		
OF-B1A- cell H106.1		
OF-B1A- cell I106.1		
OF-B1A- cell J106.1		
OF-B1A- cell K106.1		
OF-B1A- cell L106.1		
OF-B1A- cell M106.1		
OF-B1A- cell N106.1		
OF-B1A- cell A106.n		
OF-B1A- cell B106.n		
OF-B1A- cell C106.n		
OF-B1A- cell D106.n		
OF-B1A- cell E106.n		
OF-B1A- cell F106.n		
OF-B1A- cell G106.n		
OF-B1A- cell H106.n		
OF-B1A- cell I106.n		
OF-B1A- cell J106.n		
OF-B1A- cell K106.n		
OF-B1A- cell L106.n		
OF-B1A- cell M106.n		
OF-B1A- cell N106.n		
OF-B1A- cell A108		
OF-B1A- cell B108		
OF-B1A- cell C108		
OF-B1A- cell B109		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell D109		
OF-B1A- cell B110		
OF-B1A- cell C110		
OF-B1A- cell D110		
OF-B1A- cell E110		
OF-B1A- cell B111		
OF-B1A- cell C111		
OF-B1A- cell D111		
OF-B1A- cell E111		
OF-B1A- cell A113.1		
OF-B1A- cell B113.1		
OF-B1A- cell C113.1		
OF-B1A- cell D113.1		
OF-B1A- cell E113.1		
OF-B1A- cell A113.n		
OF-B1A- cell B113.n		
OF-B1A- cell C113.n		
OF-B1A- cell D113.n		
OF-B1A- cell E113.n		
OF-B1A- cell A115.1		
OF-B1A- cell B115.1		
OF-B1A- cell D115.1		
OF-B1A- cell E115.1		
OF-B1A- cell A115.n		
OF-B1A- cell B115.n		
OF-B1A- cell D115.n	Please refer to OF-B1A- cell A115.1.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1A- cell E115.n		
OF-B1A- cell B116		
OF-B1A- cell D116		
OF-B1A- cell E116		
OF-B1A- cell F116		
OF-B1A- cell A130.1	This comment applies to cell A130.n for which there is no cell in this feedback template. The cell is intended for reinsurance entities, ancillary entities, SPVs and immediate holding companies. In effect, the non fungibility of capital or restrictions of other entities are not part of this table.	
OF-B1A- cell B130.1		
OF-B1A- cell C130.1		
OF-B1A- cell D130.1		
OF-B1A- cell E130.1		
OF-B1A- cell F130.1		
OF-B1A- cell G130.1		
OF-B1A- cell H130.1		
OF-B1A- cell I130.1		
OF-B1A- cell J130.1		
OF-B1A- cell K130.1		
OF-B1A- cell L130.1		
OF-B1A- cell M130.1		
OF-B1A- cell A130.n	<p>The scope must be in line with the framework directive (Article 222) and the draft Level 2 text (Article 323(1)) -> only related insurance and reinsurance undertakings are considered under the scope for group supervision.</p> <p>We would therefore propose the following:</p> <ul style="list-style-type: none"> • Delete in OF-B1A (group), cell B245 "IHC and ancillary entities"; • Delete in LOG A130.n: "ancillary entities, SPVs and intermediate insurance 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	holding companies" and "whether controlled or not controlled".	
OF-B1A- cell B130.n		
OF-B1A- cell C130.n	Cell C130.n is defined in the log file as a calculation therefore it should be shaded in the template with a light blue colour.	
OF-B1A- cell D130.n		
OF-B1A- cell E130.n	We propose to delete this cell as ring-fenced funds are already deducted at solo level (Art. Article 58bis COF1bis Para 1.e) therefore it is unclear what should be entered in this cell. There a risk of double deduction.	
OF-B1A- cell F130.n	It is unclear what items should be reported in this cell. Should it be the items listed in cells G130-M130? Or is it meant that the items in G130-M130 are only for EEA-funds and F130 includes the total of these items for non EEA-companies? The LOG does not provide an indication of either possibility.	
OF-B1A- cell G130.n	The references to the framework directive (Article 323(4) and the draft Level 2 text (Article 222) in line 244 are misleading. We also question why only paragraph 4 is referred to, paragraph 4 relates to cells D130-E130, but not to G130-M130.	
OF-B1A- cell H130.n		
OF-B1A- cell I130.n		
OF-B1A- cell J130.n		
OF-B1A- cell K130.n		
OF-B1A- cell L130.n		
OF-B1A- cell M130.n	This comment refers to OF-B1A (group)- cell N130.1 We do not find it clear why the sum-position does not include the cells D130-F130? The template must be clear as to the total amount to be deducted.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1Q- cell C1A		
OF-B1Q- cell B5		
OF-B1Q- cell C5		
OF-B1Q- cell D5		
OF-B1Q- cell B6		
OF-B1Q- cell B10		
OF-B1Q- cell C10		
OF-B1Q- cell D10		
OF-B1Q- cell B11		
OF-B1Q- cell C11		
OF-B1Q- cell B14		
OF-B1Q- cell C14		
OF-B1Q- cell B17		
OF-B1Q- cell C17		
OF-B1Q- cell D17		
OF-B1Q- cell B18		
OF-B1Q- cell C18		
OF-B1Q- cell D18		
OF-B1Q- cell D14		
OF-B1Q- cell D11		
OF-B1Q- cell D15		
OF-B1Q- cell B25		
OF-B1Q- cell B30		
OF-B1Q- cell B31		
OF-B1Q- cell C33		
OF-B1Q- cell C34		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
OF-B1Q- cell C35		
OF-B1Q- cell D35		
OF-B1Q- cell C36		
OF-B1Q- cell D36		
OF-B1Q- cell C37		
OF-B1Q- cell C38		
OF-B1Q- cell D38		
OF-B1Q- cell C39		
OF-B1Q- cell C40		
OF-B1Q- cell D40		
OF-B1Q- cell C41		
OF-B1Q- cell D41		
OF-B1Q- cell C42		
OF-B1Q- cell D42		
OF-B1Q- cell A45		
OF-B1Q- cell A45A		
OF-B1Q- cell A45B		
VA-C2A- General	<p>In particular for VA templates, undertakings will need sufficient time in order to establish the appropriate systems and calculation processes to be able to deliver these reporting templates. EIOPA's cooperation with industry to help with this process is very much appreciated.</p> <p>In general we find that clear guidance and quantitative examples, in order to be able to prepare the variation analysis templates, are missing. We question the need to prepare such a template for Solvency II purposes. The information is not necessary to provide related solvency balance sheet data and own funds data requested by the framework directive. The necessary information to prepare the template is not available in any currently existing IT tools and must be generated causing significant additional cost for undertakings.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

Profit and loss statements

Cash flow based "variation analysis" data does not exist on this level of detail due to the existing accounting convention being accrual basis not cash flow basis. Requested templates combine accrual basis, cash basis and best estimates and therefore are more similar to profit and loss information rather than a pure risk based approach. Reporting requirements will force undertakings to hold double General ledgers – one based on cash flow and one based on accrual. The new detailed reporting requirement of cash flows for risk accepted during the reporting period seems very problematic. It is difficult at present to anticipate how cash-flows would be reported in this template.

Comparison with Own Funds templates

Cell V8: in the context of calculating the basic own funds, this line item should be defined as "the excess of assets over liabilities" (cell OF B1A B23) and deducted by other basic own fund items (cell OF B1A B26).

Cell V11: should refer to available own funds and not eligible own funds.
When making references between templates, we request that EIOPA always refer to the correct cell number and not to line numbers. It is difficult to assess the full impact of this template.

General comments

These templates are still based on underwriting year; the information will not be available in existing reporting systems that are based on the accident year. Clarification from EIOPA would be helpful that the option to use UWY/AY, as outlined in the impact assessment in relation to Technical Provisions, would also be available for these templates.

The variation analysis templates do not deal with any currency effect that could occur i.e. the impact of FX changes. This would be required in each of the underlying templates to order to allow a year-on-year roll-forward.

We query how to address possible mergers and acquisitions in analyses of changes of BOF, the templates do not currently deal with this.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Variation analysis templates would benefit from examples to illustrate how they should be interpreted.</p> <p>There seems to be inconsistency in the way expense reporting is required across the VA templates. C2B requires expenses incurred, C2C requires expenses paid and C2D does not specify either paid or incurred expenses.</p>	
VA – C2A – Purpose		
VA – C2A – Benefits	The industry uses the statutory P&L to describe changes in equity. This is not a report which would fill any kind of management purpose.	
VA – C2A-Costs	As previously mentioned, these templates are still based on underwriting year; the information will not be available in existing reporting systems that are based on the accident year. To develop an alternative would incur an extremely high cost and for the purpose of reporting, we would ask that undertakings do not have to change the way they run their business.	
VA – C2A – Groups	CEA strongly objects the application of VA templates to Group. Solo VA templates will represent one of the major challenges of Pillar 3; the extension to groups would generate a huge extra cost for all insurance undertakings.	
VA-C2A – Materiality		
VA-C2A – Disclosure		
VA – C2A – Frequency		
VA-C2B- General	<p>This template starts with VA of OF and uses a bottom up approach to build the VA template by using detailed information from other templates, the issue is how to make this match the balance sheet. In reporting terms, this will be difficult.</p> <p>This would answer EIOPA's questions on changes in investments and reconciliation. EIOPA should refrain from collecting performance related information here as it cannot be sourced from reconciliation information. We see this as the link between variation</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

analysis, balance sheet and own funds templates.

Consistency with IFRS

The definitions used are not in line with IFRS (e.g. direct income, and as a consequence indirect income/ movement in valuation). This is a major issue as this refers to transactional data and the potential cost impact of providing for cash based P&L next to an accrued P&L would be large. Once there is a difference in definition with IFRS in direct income this will have consequences for indirect income, revaluations, etc. This triggers a cascade of events.

It also does not seem to be consistent with balance sheet valuation of bonds. These are valued including accrued interest while accrued interest is not part of direct income. For example, you would have the cash approach but the incurred interest would already be taken into account. When a bond pays a coupon, it would increase the value of cell A1 (interests received).

We also question whether "interest received" refers to "interest cash" or "interest earned".

We propose to add line items in C2B to allow for differences in valuation between IFRS and S2. These differences actually constitute the reconciliation account as defined in the previous set of templates.

Practical issues in completion

- If there is a merger in a group then where would the information be reported?
- When an undertaking sells new shares during the year, we question what would be classed as old and new business – this isn't used by accounting.
- It should be possible to use roll forward techniques as this will be necessary to bridge reporting data between two periods.
- Cells A6-A8 will be very problematic, even undertakings who currently report according to fair value, do not have this information. Overall we believe these templates are too focused on a transaction-basis, but these cells are particularly so.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
VA – C2B – Purpose	Please refer to VA – C2B – General.	
VA – C2B – Benefits		
VA – C2B-Costs	<p>Please refer to VA – C2B –General.</p> <p>All transactions per investment instrument needed to fulfil this reporting requirement. This data is not held in production systems today – a separate system and database is needed to fulfil these requirements which will be very costly to build.</p> <p>Any deviation from IFRS will also be costly for undertakings to implement as it would move away from the underlying principles used for Solvency II.</p> <p>This template will be incredibly difficult to report firstly, Revenues (interests) in ordinary P&L are not cash flow based and secondly, expenses related to investments are not cash flow based.</p>	
VA – C2B – Groups	CEA strongly objects the application of VA templates to Groups. Solo VA templates will represent one of the major challenges of Pillar 3, the extension to groups would generate an extraordinary extra cost for all insurance undertakings.	
VA-C2B – Materiality		
VA-C2B – Disclosure		
VA – C2B – Frequency		
VA C2B-cell AA2	<p>See comment VA C2B-cell A1 for comments on derivatives.</p> <p>Expenses incurred are asked for here compared with expenses paid in C2C cell D1.</p>	
VA C2B -cell A1	<p>This comment applies to VA C2B-cells A1-A3.</p> <p>This template must be checked for consistency against template Assets-D3.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Interest received (cash flow position) will not fully explain the movement in OF positions. For example, if an undertaking has bonds that had accrued interest at opening Balance in the amount of 100 cash units. During Q1 the undertaking receives 120 cash units interest in cash. On the Closing Balance accrued interest of 10 cash units. According to the scheme proposed, the undertaking has to report 120 cash units as a position explaining changes in BOF due to investments, however real change equals only 30 cash units (10 (CB) + 120 - 100). We therefore propose to remodel this cell.</p> <p>The wording and the content should be consistent with Assets-D3. Therefore the wording should be changed to "interest" according to Assets-D3-cell O3: the description in the LOG is not clear.</p> <p>The sold investments have to be valued with the exit/sold price. Otherwise the development of the investments (shown in the cells O1 until O5) is not correct if you adjust the "change in investment values (= realised and unrealised gains/losses)".</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We question whether the received basis corresponds to the fair value investment valuation principle? • Should this value be accrued or is this according to the definition of the revenue? • Does this include all the returns from derivatives? Or is there assumption that this deals only with interest derivatives? • There are also some expenses from derivatives, should those be in here, or in AA2? • Where should security lending fees be recorded? 	
VA C2B -cell A2	<p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification is required on whether the information in this cell is required on a gross or net basis. • We question whether the received basis corresponds to the fair value investment valuation principle? • Should this value be accrued or is this according to the definition of the 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	revenue?	
VA C2B -cell A3	Please refer to VA C2B -cell A2.	
VA C2B -cell A4	Please refer to-VA C2B -cell A2.	
VA C2B -cell A6	<p>This comment applies to VA C2B-cells A6 – A8. Please also refer to our comments on Assets – D3.</p> <p>It will be difficult to split results by old and new business.</p> <p>It is difficult to separate the change in valuation of assets between the “opening balance sheet” and “during the period”. Especially in situations where there are already some instruments in the portfolio at the beginning of year, the undertaking will then buy more, sell some, buy more etc. At the end of period, all instruments can be new, or it can be mixture of old and new.</p> <p>The separation of investments between those held in the opening balance sheet and those newly acquired during the period will be incredible difficult. For some undertakings, it is an impossible task to envisage. It is unclear which assets are sold, for example if you have big asset inventories at the beginning of the year and you buy new assets during the year. If you sell a part of these assets, we question are the sold to be reported as the new assets or the assets of the former inventory? Undertakings would have to use an assumption, such as ‘first in-first out’ or ‘average price calculation for the assets’.</p> <p>This approach would imply a multi-million Euro investment and would require an additional general ledger for Solvency II purposes. This additional ledger would require a cash-based accounting methodology which is completely different from the accounting principles used in practice today.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How does the template take into account FX changes? • How should reporting be done when the undertaking uses an average balance 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>principle?</p> <ul style="list-style-type: none"> • Not clear if included interest accrued (if so there is double counting compare comments to cell A1 above, if not where interest accrued are to be shown) → further explanation needed. 	
VA C2B -cell A7	<p>This template must be checked for consistency against template D3. We question if it is correct to put bond redemptions here, asset and fund capital reductions?</p> <p>Unclear about what should be reported here.</p>	
VA C2B -cell A8	<p>The need to distinguish between changes in valuation on assets held at opening balance and assets acquired during the year eludes us. It is not required under IFRS and does not seem to add insight/value.</p> <p>It requires a considerable effort to include this in our transactional systems and financial reporting. See also our comments on Assets - D3.</p> <p>It will be difficult to split result on old and new business.</p> <p>See comment VA C2B-cell A6.</p>	
VA C2B -cell O1		
VA C2B -cell O2		
VA C2B -cell O3	<p>We question if bond redemptions, asset and fund capital reductions should, as stated, should be reported here?</p> <p>The description in the LOG is not clear. The sold investments have to be valued with the exit/sold price. Otherwise the development of the investments (shown in the cells O1 until O5) is not correct if you adjust the "change in investment values (= realised and unrealised gains/losses)".</p>	
VA-C2C- General	<p>The required information is used to cover too many bases and cannot be fulfilled with recent analytical tools by the majority of undertakings. Several cash flows have to be</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

generated with sequential changes in parameters, e.g. interest rate for old and new business, gross and net reinsurance etc. New business also includes closed new business with an inception date in N+1. Those contracts are not part of cash flow calculation in the health insurance.

This is a very burdensome requirement, very costly and time consuming. Its primary purpose is to explain the increase or decrease in basic own funds. We propose that it focuses on that alone.

The Variation Analysis template for Technical Provisions is very similar to the suggestions of the IASB in the Exposure Draft "Insurance Contracts" concerning the P&L of insurance companies. The insurance industry has opposed this approach since it does not reflect the business model of insurance undertakings. We do therefore not see any reason why this format should be used for solvency purposes.

We question the feasibility for generating the required granularity of data for reasons of practicality and time – running models separately to explain the impact of each variable is not possible after period-end without threatening deadlines for regular statutory or group reporting (as the same people are working on statutory and SII reporting).

Separate reporting per LOB is of no use and is only possible using allocation keys.

Furthermore we do not understand how application of the proposed materiality thresholds (LOBs only reported above 5% of total) meets the requirement for a complete and consistent variation analysis. Information omitted for considerations of immateriality will result in incomplete explanation of the variation in BOF needed in other templates.

Consistency with IFRS

As previously mentioned in VA-C2B- General, many definitions are not consistent with IFRS such as premiums paid, claims paid, etc as these are based on actual cash flows. This is similar to IFRS but not the same. A major issue will be incorporating such transactional data with balance sheet information. Additionally, the impact of reporting

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

cash based P&L next to an accrued P&L is major.

The example given in the LOG does not provide clarification on this point. For example, an annual contract starting 01/06/N, premiums paid at year end will reflect 6 months and BE cash in will reflect 6 months). At the end of the year the undertaking will have earned 6 months of premium, but that does not necessarily reflect the cash flow.

Practical issues

Unwind and change of discount rate are used as an explanation of BE variation. We note that the explanation only shows prior years. This implies no major practical problems, but it raises a question as to whether it might be reasonable to include such components also for the current year. When an insurance contract has inception date for instance 1st of March then there will of course be some discounting already in the Q1 balance sheet (31st of March), and in the case of increase/decrease in interest rate, then there will indeed be variations as a result of discounting.

Running of calculation to test impact of single assumptions would be time consuming – especially taking into consideration that this templates would be filled in at the end (one cannot make variation analysis without having the full picture before)-problems with keeping the deadlines (any re-run due to possible mistakes would be problematic).

The impact of FX changes (currently missing) would be required in each of the underlying templates to allow year-on-year roll-forward.

We are not, and will not, be able to report premiums, claims and expenses divided into UWY year. It doesn't add any value to divide premiums and claims to the year then the risk was accepted. For non-life undertakings new business does not have higher risk than old business. The template is constructed for life undertakings.

For many, most actuarial analysis and internal reporting are based on accident year. As a feedback to this template, we therefore strongly recommend that it is either rewritten to be based on accident year or that it allows such reporting. It should only

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

require a few changes in the template.

The template is based on the assumption that claims and premiums will be reported by underwriting year (risk accepted prior and during the period). As already discussed in detail and also accepted by EIOPA many undertakings report claims by accident year. Data and processes to calculate technical provisions are not designed for an underwriting perspective. Thus the variation analysis cannot be processed as proposed.

The template will also require that the expenses can be divided into accident year. This is not always straightforward; we query why it is necessary to use allocation keys.

It is difficult to separate claims, expenses and technical provisions between risks accepted during the period and risks accepted prior to the period. When we do calculations we use accident year and not underwriting year. A shift to underwriting year would add substantial it development expenses on top of other development costs to meet the QRT requirements.

Calculation of Technical Provisions provide a choice of either accident year or underwriting year basis. The QRT should be consistent to this.

For Non-life the claim/ salvages allocation to periods is more than sufficiently covered in template TP-E3.

If the reinsurance is undertaking specific having claim cost floors and caps like XL the recoverables are burdensome to allocate for the risks accepted during and prior period. We propose to treat ceded insurance and reinsurance separately.

As discussed further under VA-C2C- Materiality there should be no split by LOB for reporting this template. It is already very complex and should be required at undertaking level only.

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

Additional Technical documentation

It would helpful if EIOPA could prepare a formula document to show into what parts the variance $TP_N - TP_{N-1}$ is analysed because there are several way to analyse it. The text in general is not detailed enough. From the document it would be easier to conclude what the below-mentioned calculations really are. At present, the specifications appear unclear. Also the connection to the changes due to investments (VA - C2B) should be shown.

In the present specification it is not clear how, and in which order, the variation analysis is done. The order in which it is performed may be different from the order it is expressed.

$$\begin{aligned}
 TP_N - TP_{N-1} &= [TP_N - TP_N(\text{old estimates and assumptions})] + [TP_N(\text{old estimates and assumptions}) - TP_N(\text{expected at N-1})] + [TP_N(\text{expected at N-1}) - TP_{N-1}] = \\
 &= [TP_N - TP_N(\text{old estimates and assumptions})] + [\text{netCF}_N(\text{actual}) - \text{netCF}_N(\text{expected at N-1})] + \\
 &[\text{unwinding} + \text{netCF}_N(\text{expected at N-1})] = \\
 &= \text{changes due to estimate and assumption changes calculated at N with the actual portfolio} + \\
 &\text{netCF}_N(\text{actual}) + \text{unwinding}
 \end{aligned}$$

Here netCF should only show those cash flows impacting on TP, not sums at risk.

The separation to estimate and assumption changes doesn't seem to be generally accepted. Should the separation be between financial, other non-operational and operational changes?

Further clarification required:

- The combination of risk accepted and LOB for expenses will have to be based on assumptions that cannot be checked and reconciled. What value would such reporting give for supervisory purposes?
- How to account for changes in portfolio (sale, purchase, other)?
- Can the definition of risk accepted during the period be fully derived from the definition of contract boundaries?

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> • Where and how do we incorporate unearned premiums into the VA-C2C? Are these part of the BE. • Where should claims incurred appear (IBNR)? We question whether it would appear in the best estimate which would mean any differences would be recognised in the following year? 	
VA – C2C – Purpose	<p>The LOG should be changed to clarify EIOPA’s intention with this template i.e. it should read “change in best estimate of cash flow” and not “best estimate of cash flow”.</p> <p>The level of detail regarding reinsurance recoverables seems not feasible, especially taking into account the split between risks accepted during period and risk accepted prior to period. Expected reinsurance recoverables based on reinsurance contracts, especially for those on a non-proportional basis, cannot be split in a reasonable way into risks accepted during the period and those accepted prior to the period. From the actuarial perspective, there is no added value using some allocation algorithm to allocate the expected Best Estimate from reinsurance contracts to the requested level of detail.</p> <p>Therefore we suggest not splitting the reinsurance recoverables into risks accepted during and prior to period; unwinding effects and effects of changes in the discount rate might be shown separately, all other effects should be shown as one figure only, similar to the risk margin.</p>	
VA – C2C – Benefits		
VA – C2C-Costs	<p>Please refer to VA – C2B – General & Costs and VA – C2C-General.</p> <p>In addition to major costs which would result from requiring new systems to support reporting of transactional data and data which deviates from IFRS definitions, we find that reporting per LOB will have a dramatic cost impact on the industry. This is particularly applicable for non-life undertakings that whose segmentation per LOB is greater than for their life counterparts. We propose to report variation analysis information only at solo undertaking level.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Also, the split between old and new business will require a more granular breakdown than that already proposed in the technical provisions templates.</p> <p>As previously mentioned, these templates are still based on underwriting year; the information will not be available in existing reporting systems that are based on the accident year. To develop an alternative would incur an extremely high cost and for the purpose of reporting, we would ask that undertakings do not have to change the way they run their business for reporting purposes only.</p>	
VA – C2C – Groups	CEA strongly objects the application of VA templates to Group. Solo VA templates will represent one of the major challenges of Pillar 3, the extension to groups would generate an extraordinary cost for all insurance undertakings.	
VA-C2C – Materiality	<p>Please refer to VA – C2C – Costs for our comments on reporting per LOB.</p> <p>We appreciate EIOPA’s consideration of a materiality threshold for reporting per LOB however this could then have an adverse affect on the reconciliation reserve, how differences would be explained and subsequent quarterly reporting of template BS – C1.</p> <p>This is an incredibly complex issue and to require more than entity level reporting is unduly burdensome.</p>	
VA-C2C – Disclosure		
VA – C2C – Frequency		
VA C2C -cell AA5		
VA C2C -cell A1	<p>The definition for this cell is not in line with IFRS i.e. premium split in risk accepted during period/ risk prior to period.</p> <p>Clarification would be helpful that the premiums of the renewed contracts after the contract boundary at the end of the previous year are included.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>These comments apply to VA C2C-cells A1 to D1: It is not clear where values are based on accrual (e.g. premiums written) or cash (e.g. premiums paid) accounting. While we do not always understand – at item level – if cash or accrual values are required we would also not understand the purpose of a mix of these values. Combining these values prohibits a complete and consistent variation analysis. Reporting processes currently only support accrual accounting, with significant implications on costs if capacity for transactional (cash-based) reporting was added.</p>	
VA C2C -cell B1	<p>Please refer to VA – C2C – cell A1 and VA – C2C – General comments on requesting additional technical documentation from EIOPA.</p> <p>We question why the whole claim and benefit is reported here. It impacts on the investments and their net impact on the total change seems to be = 0. The paid sums at risk have no impact on technical provisions.</p> <p>It might be difficult to separate these claims and benefits from those which are due to the premiums before the contract boundary question is resolved. The insurance event date must be known.</p> <p>Claims paid seem to be based on UWY, but in template E3 it is left to the individual supervisor/undertaking to decide whether UWY/AY is applied.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Should only the released part of the benefits reported here when the net impact with investments is the sums at risk? 	
VA C2C -cell C1	<p>The separation of “salvages and subrogations recovered” is new in this template. In all other technical provision templates this effect is included in the “claims & benefits” position. To be consistent, we propose to delete this line item and include the effect in the line item “Claims & benefits”. This comment also applies to VA – C2C – cell C4.</p> <p>Please refer to VA – C2C – cell B1 for comments on AY/UWY.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
VA C2C -cell D1	<p>Some expenses (claim handling expenses) can be allocated to prior period risk. For a number of expenses this is arbitrary (operating expenses allocated to insurance).</p> <p>In template A1A "other expenses" are defined which are LOB independent. These are obviously insurance relevant but do not fit D1 or D4 (per LOB). We question how/ where to incorporate these expenses. This comment applies to VA – C2C – cells D1 – D4.</p> <p>Expenses paid are asked for here compared with expenses incurred in C2B cell AA2.</p>	
VA C2C -cell E1		
VA C2C -cell E1A		
VA C2C -cell G1	<p>If the reinsurance is undertaking specific, having claim cost floors and caps like XL, the recoverables will be burdensome to allocate for the risks accepted during period.</p> <p>Only the reinsurance recoverables are mentioned in this cell. The reinsurance premiums and reinsurance claims do not appear to be incorporated into this template. We question whether there are cells missing or are other values intended to be reported?</p> <p>We would propose to change this cell to "change in" reinsurance and SPV recoverables" as the actual payments will not have an effect on own funds.</p>	
VA C2C -cell H1	<p>Please refer to VA – C2C – cell G1 for comments on claims cost floors.</p> <p>The following comment relates to VA – C2C- cells J1 – J4 for which there are no comment cells in this template.</p> <p>Adjustment of valuation of assets held for unit linked funds:</p> <ul style="list-style-type: none"> • Unit linked insurance is defined as a LOB. Given the LOG file, for unit linked products A1 = J1 and A4 = J4. • J1 and J4 are defined as calculated cells but no calculation is provided in the 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>template.</p> <p>This is made unnecessarily complex because too many bases are covered within one template. It gives much more insight to cover the unit linked assets in the same manner as the C2B template. Unit linked investments have a direct result and movement in valuation identical to own investments. The split in prior – current year only adds complexity but provides no additional insight.</p> <p>The unit linked portfolio is an integral part of the information requested in Assets D1-D6. This template is aimed at technical provisions.</p>	
VA C2C -cell E1A		
VA C2C -cell A2	<p>It is unclear if table “Risk accepted prior to period – Changes in estimates (only for scope of risks captured in BE)” is to be filled out per LOB or in total.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • What is meant by discount rates that applied during year N? It changes all the time. • What is calculation of the unwinding of discount rates? Is it run of one year N? • Isn't the approximation TP at the yearend * yield of 1 y at the yearend of N-1 sufficient? It is used regularly in the embedded value calculations. 	
VA C2C -cell B2		
VA C2C -cell D2	<p>This seems to be applied to the old expected portfolio and therefore the effect of change is made to the situation where the current discount rate didn't exist.</p> <p>The experience analysis should be performed first then this change of estimate should be performed by using the portfolio at year end N, excluding the new business using the discount rate at year end N-1 and N (which is the BE). Please refer to VA – C2C – General.</p> <p>We question what is adjusted figure (BE at closing N-1 + A2)? Portfolio at year end N-</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	1 where BE is the old BE + A2 or what?	
VA C2C -cell E2	Please refer to VA – C2C – D2.	
VA C2C -cell G2	Please refer to VA – C2C – D2.	
VA C2C -cell A3	<p>In order to isolate this strict scope of variation, the calculation should be the following:</p> <ul style="list-style-type: none"> • Consider total BE at the closing of the period N-1 (i.e., based on former assumptions...) – this figure should be equal to that in TP E1/F1 at year end N-1. • Based on this figure, preliminary take account of the effect of unwinding discount rate and changes in discount rate (see cells A2 and D2). • Then, based on this adjusted figure, run calculations of the changes in economic assumptions that applied during year N (if any) → this will provide the variation of BE strictly related to changes in economic assumptions. <p>This calculation should be done using the actual portfolio at year end N using the current discount and first old economic assumptions, and secondly new ones.</p> <p>Clarification would be helpful on what is meant by “the calculation” and “portfolio”.</p>	
VA C2C -cell B3	Please refer to VA – C2C – cell – A3.	
VA C2C -cell C3	Please refer to VA – C2C – cell – A3.	
VA C2C -cell A4	Premium split in risk accepted during period/ risk prior to period is not in line with IFRS.	
VA C2C -cell B4	It is difficult to separate claims, expenses and technical provisions between risks accepted during the period and risks accepted prior to the period. This point relates to AY/UWY issue and the option provided for technical provisions. Proposals for VA should be consistent with this.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>We question why the whole claim and benefit is reported here? It impacts on the investments and their net impact on the total change seems to be = 0. The paid sums at risk have no impact on the technical provisions. Should only part of the benefits be reported here which release the TP incl. IBNR? The net impact with investments is the sums at risk?</p> <p>Please refer to VA – C2C – General where we request additional technical documentation from EIOPA.</p>	
VA C2C -cell C4	<p>Please refer to VA – C2C – cell B4 where is issue of AY/UWY is raised.</p> <p>The separation of “salvages and subrogations recovered” is new in this template. In all other technical provision templates this effect is included in the “claims & benefits” position. To be consistent, please delete this cell and include the effect in the cell for “Claims & benefits”.</p>	
VA C2C -cell D4		
VA C2C -cell E4	Please refer to VA – C2C – cell A3.	
VA C2C -cell E4A		
VA C2C -cell G4	<p>Please refer to VA – C2C – cell G1 for comments on reinsurance recoverables.</p> <p>We question if the recoverables received are already taken into account in the investments VA – C2B. Also if the amount to be reported here should be only the part of recoverables which decrease the part of reinsurance in IBNR, and the reinsurance deposits, if any.</p> <p>Recoverables as the actual payments could but doesn't have to effect own funds.</p>	
VA C2C -cell H4		
VA C2C -cell BB1	EIOPA's proposal for this cell is not clear. The order of the calculation does not seem to be correct or optimal. If the experience variance is calculated after the changes of	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>the assumptions and estimates then the changes the assumptions and estimates are based on the portfolio at year end N-1, even though those changes had not been done then, but at year end N.</p> <p>Steps c and d, and therefore partly e, do not identify which portfolio is used.</p> <p>We therefore propose to use the calculation order in the comments for VA - C2C-General.</p>	
VA C2C -cell CC1		
VA-C2D- General	<p>Please refer to VA - C2A, C2B and C2C - General.</p> <p>It should be clarified under which line item changes in cash to be reported, e.g. cell O11?</p>	
VA - C2D - Purpose	Please refer to VA - C2A, C2B and C2C - Purpose.	
VA - C2D - Benefits	Please refer to VA - C2A, C2B and C2C - Benefits.	
VA - C2D-Costs	Please refer to VA - C2A, C2B and C2C - Costs.	
VA - C2D - Groups	Please refer to VA - C2A, C2B and C2C - Groups.	
VA-C2D - Materiality	Please refer to VA - C2A, C2B and C2C - Materiality.	
VA-C2D - Disclosure	Please refer to VA - C2A, C2B and C2C - Disclosure.	
VA - C2D - Frequency	Please refer to VA - C2A, C2B and C2C - Frequency.	
VA C2D -cell O2		
VA C2D -cell O3	<p>The definition for this cell is not in line with IFRS.</p> <p>Needs to be linked to total change in cash? (Cell O11?)</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
VA C2D -cell O4	The definition for this cell is not in line with IFRS. Needs to be linked to total change in cash? (Cell O11?)	
VA C2D -cell O6		
VA C2D -cell O7		
VA C2D -cell O8	The LOG defines this cell as "incomes not captured in tabs VA C2B and VA C2C". Would this also include also <i>extraordinary gains</i> line? <ul style="list-style-type: none"> Please clarify if this position shows the current positive cash flows regarding the line item O11/O12. Additionally we understand this line item in a cash flow view. This comment also applies to cell O9. <ul style="list-style-type: none"> Please put this line item and the line item for expenses O9 together. Please clarify if this position shows the current positive cash flows regarding the line item O11. Additionally we understand this line item in a cash flow view. Please put this line item and the line item for expenses O9 together.	
VA C2D -cell O9	Further clarification required: <ul style="list-style-type: none"> Log document defines this cell as "expenses not captured in tabs VA C2B and VA C2C". Does it include also <i>extraordinary losses</i> line? Please clarify if this position shows the current positive cash flows regarding the line item O11. Additionally we understand this line item in a cash flow view. Please put this line item and the line item for expenses O9 together. Is expenses paid or expenses incurred required? 	
VA C2D -cell O10		
VA C2D -cell O11	Please refer to VA-C2A- General.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	There seems to be inconsistency in the way expense reporting is required across the VA templates. C2B requires expenses incurred, C2C requires expenses paid and C2D does not specify either paid or incurred expenses.	
VA C2D -cell O12		
SCR-B2A – General	<p>This comment applies to B2A-B2B and B2C.</p> <p>We recognise it will be difficult to suggest a template that works for all firms whether they are using the standard formula (SF), partial internal model (PIM) or full internal model. However, the current layout could cause confusion as risk capital within each module can be displayed on two different templates. For example, a firm internally modelling only longevity risk would have a blank entry on SCR-B3C and an entry on SCR-B2B, whilst the remaining life underwriting risks would be on SCR-B3C.</p> <p>It would be preferable to have standard templates that follow the layout of the SF but allow firms to indicate whether each risk has been internally modelled or not. There would also be an 'other' section where firms could add risks that they are internally modelling which are not part of the standard formula. This would mean that each module would appear on one template in a visible format, rather than spread over two templates. Additional breakdowns/information on the risks internally modelled could then be provided on other templates. For example our PIM is likely to follow the layout of the SF and we believe it would be more useful to follow this reporting structure than to leave cells with zeros in them.</p> <p>As a general remark, stringent reporting requirements which duplicate the internal functions required under Pillar II, should be avoided as much as possible.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Further guidance is required on how risk diversification could be accommodated within the existing design of the templates. For example, if you compare SRC-B3C where diversification effect and total capital requirement are shown as calculated, and SRC-B3D where similar fields are not shown as calculated. • Formulas are missing in the template, it is not clear what cells have to be added/ subtracted to reach to the total in cell A20/ A21. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> This is a general comment on the colouring chart provided in the templates. The template suggests that can fields are calculated with a formula, and green fields are calculated as total sum. 	
SCR-B2A – Purpose		
SCR-B2A – Benefits		
SCR-B2A – Costs		
SCR-B2A – Groups	<p>The SCR in cell A21 does not match the eligible own funds as reported in OF-B1A-cells A50 and A51.</p> <p>In general, there are different components in this template as compared to the Own Funds templates.</p> <ul style="list-style-type: none"> Where/ how to account for diversification effects in the group? SCR Non-controlled participation is added to SCR group while the Participation value of this entity is subtracted from the Own Funds. In OF-B1 the excess capital (Own funds -/- SCR) is subtracted while in SCR-B2A the entire SCR is subtracted. <p>We query whether this template should link to a template with the SCR contribution of the entities to the group SCR? This now seems to be part of the OF-B1 template.</p>	
SCR-B2A – Materiality	<p>The principle of proportionality should be taken into account, in order not to overburden small and medium sized insurers with quarterly calculations. We therefore propose that the recalculation of the SCR should only apply to those risks, which are most relevant for the undertaking (e.g. those risks, which were accountable for X% of last SCR).</p> <p>It should be possible to merge minor and non-material RFF according to a materiality threshold.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B2A-Disclosure	<p>It is unclear how undertakings should report this template if their Member State chooses the option, offered by the framework directive (Article 51(2) which would allow for undertakings not to disclose capital add-ons separately from their SCR, until a pre-defined date.</p> <p>Further consideration should be given to the disclosure of group solvency capital requirements when undertakings are using a combination of two methods, consolidation or deduction and aggregation.</p> <p>For undertakings which are required to provide an estimate of the standard formula according to Article 112(7), this template should not be disclosed as any difference between the standard formula and the internal model may lead to inaccurate conclusions, the SFCR requires a narrative explanation of such differences and we see this as a more appropriate form of disclosure.</p> <p>Also in relation to the above point, it should be noted that the estimate of the standard formula will most probably contain approximations or simplifications (as only an estimate of the SCR using the standard formula is required). We understand this requirement of Article 112(7) to imply that the requirements with regards to data quality and precision are less onerous compared to a binding determination of the SCR by means of the standard formula.</p> <p>This comment also applies to SCR-B3A to B3G.</p>	
SCR-B2A – Frequency	<p>We support EIOPA’s proposal to require SCR templates on an annual basis only.</p> <p>Article 102 of Level 1 foresees annual calculation of the SCR, full systematic calculations on a more frequent basis will prove problematic to calculate and report. Some of the risks in particular for which the SCR is calculated would be unlikely to change substantially during the period of one year, for example underwriting risk, credit risk and reserve risk.</p>	
SCR-B2A-cell A1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B2A-cell B1	The methodology has yet to be finalised for the derivation of the gross capital charge for life and health underwriting risks. In some cases, the internal model used for risk capital calculations does not determine gross capital charges. We therefore propose to report net figures in this template. This comment applies to SCR-B2A-cells B1 to B9.	
SCR-B2A-cell A2		
SCR-B2A-cell B2	<p>For certain products in some jurisdictions losses arising from counterparty default may be shared between policyholders and shareholders and consequently the net value will also contain an adjustment for future discretionary benefits which seems to be acknowledged in the "Purpose" section of the corresponding LOG. For such products, the pre-defined formula should not be applied either by allowing different values or by the introduction of national requirements.</p> <p>In some jurisdictions, derivative contracts are part of, and cannot be separated from, other investment assets. Consequently, derivative contracts are included in the allocation of profit and losses on customer accounts and own funds (profit sharing), irrespective of whether profit and losses are caused by changes in underlying cash flows/assets or the default of counterparties.</p>	
SCR-B2A-cell A3		
SCR-B2A-cell B3		
SCR-B2A-cell A4		
SCR-B2A-cell B4		
SCR-B2A-cell A5		
SCR-B2A-cell B5=A5		
SCR-B2A-cell A6	In a situation where an undertaking is using a partial internal model to calculate their capital requirement, we query if the information reported in this cell should include diversification between standard formula modules. Or if the total diversification stemming from partial internal models, and standard formula modules, be calculated and reported here.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B2A-cell B6	Please refer to SCR-B2A-cell A6.	
SCR-B2A-cell A7		
SCR-B2A-cell B7=A7		
SCR-B2A-cell A8		
SCR-B2A-cell B8	Please refer to SCR-B2A-cell A6.	
SCR-B2A-cell A9	Please refer to SCR-B2A-cell A6.	
SCR-B2A-cell B9		
SCR-B2A-cell A11	The LOG and the template have different formulae. Both are inconsistent with the draft Level 2 text. We question if it should read: $\max(\min(B10-A10;FDB);0)?$	
SCR-B2A-cell A12		
SCR-B2A-cell A13		
SCR-B2A-cell A14		
SCR-B2A-cell A14A		
SCR-B2A-cell A15A		
SCR-B2A-cell A15B		
SCR-B2A-cell A15C		
SCR-B2A-cell A16		
SCR-B2A-cell A17	We query whether this cell should be formula-driven?	
SCR-B2A-cell A18		
SCR-B2A-cell A19	We query whether this cell should be formula-driven?	
SCR-B2A-cell A20	We query whether this cell corresponds to OF-B1-cell-B1 (SCR)?	
SCR-B2A-cell A21	We query whether this cell corresponds to OF-B1-cell A53 (MCR/minimum group	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	SCR)?	
SCR-B2B – General	<p>Please refer to cell SCR – B2A-General.</p> <p>This information is required for the calculation of the SCR and we anticipate that reporting this template will not be problematic.</p> <p>We welcome that this template is sufficiently high level to allow that undertakings use the components of their own validated partial internal model. We understand that undertakings using a full approved internal model are not required to fill out and publish this template.</p>	
SCR-B2B – Purpose		
SCR-B2B – Benefits		
SCR-B2B – Costs		
SCR-B2B – Groups	We believe that this template will be manageable at group level.	
SCR-B2B – Materiality		
SCR-B2B-Disclosure	Please refer to SCR-B2A-Disclosure.	
SCR-B2B – Frequency	Please refer to SCR-B2A-Frequency.	
SCR-B2B- cell A1.1	We question how undertakings, who calculate their diversified SCR “directly” from their Probability Distribution Forecast (instead of by combining components for individual risks), should present their result? For example, should it be as a single line item, or should they break the SCR down into components? Further clarification and guidance would be helpful.	
SCR-B2B- cell A1A.1		
SCR-B2B- cell B1.1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B2B- cell A1.n	Please refer to SCR-B2B- cell A1.1.	
SCR-B2B- cell A1A.n		
SCR-B2B- cell B1.n		
SCR-B2B- cell B3	The naming of this cell appears inconsistent with the “diversification” purpose and corresponding cell in SCR-B2A. Further guidance would be helpful on the content of this cell.	
SCR-B2B- cell B5		
SCR-B2B- cell B6		
SCR-B2B- cell B8		
SCR-B2C – General	For general comments, please refer to SCR–B2A and B2B-General. To ensure the principle of proportionality is applied, the information requested from internal model users should not be greater than that requested for those using the standard formula.	
SCR-B2C – Purpose		
SCR-B2C – Benefits		
SCR-B2C – Costs		
SCR-B2C – Groups	We believe that this template will be manageable at group level.	
SCR-B2C – Materiality		
SCR-B2C- Disclosure	Please refer to SCR-B2A-Disclosure.	
SCR-B2C – Frequency	Please refer to SCR-B2A-Frequency.	
SCR-B2C- cell A1.1		
SCR-B2C- cell A1A.1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B2C- cell B1.1		
SCR-B2C- cell A1.n		
SCR-B2C- cell A1A.n		
SCR-B2C- cell B1.n		
SCR-B2C- cell B3		
SCR-B2C- cell B5		
SCR-B2C- cell B6		
SCR-B2C- cell B7	Capital Requirements from ring fenced funds should not be required, separate reporting may limit the design of an internal model.	
SCR-B2C- cell B7A		
SCR-B2C- cell B8A		
SCR-B2C- cell B8B		
SCR-B2C- cell B8C		
SCR-B2C- cell B9		
SCR-B2C- cell B10		
SCR-B2C- cell B11		
SCR-B2C- cell B13		
SCR-B2C- cell B14		
SCR-B2C- cell B15		
SCR-B3A – General	<p>For general comments on SCR templates, please refer to cells SCR – B2A/B2B/B2C-General.</p> <p>The LOG instructs that this template applies to both users of the Standard Formula and users of Internal Models that have been requested to provide an estimate of the SCR using the standard formula under Article 112(7) of the Framework Directive. For the elements that require calculation by the standard formula, this template is helpful. It should be clarified that templates SCR-B3A to B3G are not required from undertakings using full Internal Models.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

Furthermore, the LOG details that undertakings should report the proportion of assets and liabilities which are driving each risk. While the objective of providing comparability between undertakings is understood, it is not clear that such an allocation makes sense for liabilities as it would require significant additional work. We propose instead to report total assets and liabilities in these cells, as we believe this would provide sufficient information.

It is unclear whether ring-fenced funds should be included in the template.

For bilateral shocks, for example derivatives, interest rate etc, it should be possible to leave blank the two lines relating to interest rate risk (upward and downward shocks), if one of the two is obviously lower than the other.

For example, if you have a significant asset and liability duration mismatch, you do not need to carry out both calculations to know which shock will be the greater. The same applies for RFF, if it does not represent a huge part of the balance sheet, undertakings would only calculate the shock applicable to the non-RFF part of the undertaking. In such cases, it should be possible to mark the cell as "not-relevant" or "non applicable".

The net/gross SCR (C and D columns) should only be reported at the sub-module risk level. Concretely, it means that only the spread risk SCR should be reported, but not the bonds, derivatives and structured products of the SCR.

SCR-B3A – Purpose

SCR-B3A – Benefits

We do not see the benefit from reporting the assets and liabilities cells.

SCR-B3A – Costs

The template is primarily designed to represent the SCR. To also report the assets and liabilities (both before and after the shock event) does not provide much additional insight. In many cases the risk is driven by either assets or liabilities and thus assets and liabilities may not be attributable to a single risk driver. There is a high cost impact stemming from these cells.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3A – Groups	We believe that this template will be manageable at group level.	
SCR-B3A – Materiality		
SCR-B3A-Disclosure		
SCR-B3A – Frequency	Please refer to SCR-B2A-Frequency.	
SCR-B3A- cell CO	<p>The gross risk capital requirement in the interest rate shock module is the maximum of a decrease in interest rate gross capital requirements and an increase in interest rate gross capital requirements. This is not consistent with the methodology used in the draft Level 2 text.</p> <p>In the draft Level 2 text, the gross value corresponding to the net value was chosen. The currently used formula allows for different shock scenarios to be chosen for gross and net capital requirements.</p> <p>This leads to an incomparability of capital requirements between different undertakings, it could be possible that the calculated risk reducing capacity of future premiums does not match the difference of gross and net risk capital requirements.</p> <p>Furthermore it is possible that the difference between gross and net risk capital requirements is higher than available profits.</p>	
SCR-B3A- cell D0	Please refer to SCR-B3A-cell CO.	
SCR-B3A- cell A1		
SCR-B3A- cell A1A		
SCR-B3A- cell B1		
SCR-B3A- cell B1A		
SCR-B3A- cell C1		
SCR-B3A- cell B1B	The comment in the LOG relating to this cell should refer to “absolute values after shock” rather than “initial absolute values before shock”.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3A- cell D1		
SCR-B3A- cell A2	We question that if this cell is known to have smaller net asset value charge, if it is possible to leave this cell blank.	
SCR-B3A- cell A2A		
SCR-B3A- cell B2	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell B2A	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell C2	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell B2B	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell D2	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell C3	<p>The formula in this cell is not consistent with the treatment outlined in the draft Level 2 text.</p> <p>The capital requirements for “global” and “other” are aggregated using a correlation formula and then added to the gross asset value of duration based assets. In the definition the correlation is missing. Should be</p> $SCR_{equity} = \sqrt{SCR_{type1equities}^2 + 2 \cdot 0.75 \cdot SCR_{type1equities} \cdot SCR_{type2equities} + SCR_{type2equities}^2}$	
SCR-B3A- cell D3	Please refer to SCR – B3A – cell C3.	
SCR-B3A- cell A4		
SCR-B3A- cell A4A		
SCR-B3A- cell B4		
SCR-B3A- cell B4A		
SCR-B3A- cell C4	We believe that the formula provided in the LOG file should be: C4=max((A4-B4)-(A4A-B4A)).	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3A- cell B4B		
SCR-B3A- cell D4		
SCR-B3A- cell A5		
SCR-B3A- cell B5		
SCR-B3A- cell A6	There are no separate lines for retail and non-retail mass lapse shocks. We question if this is a matter of omitting the separate template lines, or if the shock difference between retail and non-retail been abandoned? This comment applies to SCR – B3C-cells A6-D6.	
SCR-B3A- cell B6		
SCR-B3A- cell A7		
SCR-B3A- cell B7		
SCR-B3A- cell A8		
SCR-B3A- cell A8A		
SCR-B3A- cell B8		
SCR-B3A- cell B8A		
SCR-B3A- cell B8B		
SCR-B3A- cell D8		
SCR-B3A- cell A9		
SCR-B3A- cell B9		
SCR-B3A- cell A10		
SCR-B3A- cell B10		
SCR-B3A- cell A11		
SCR-B3A- cell B11		
SCR-B3A- cell A12		
SCR-B3A- cell A12A		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3A- cell B12		
SCR-B3A- cell B12A		
SCR-B3A- cell C12		
SCR-B3A- cell B12B		
SCR-B3A- cell D12		
SCR-B3A- cell C13		
SCR-B3A- cell D13		
SCR-B3A- cell A14		
SCR-B3A- cell A14A		
SCR-B3A- cell B14		
SCR-B3A- cell B14A		
SCR-B3A- cell C14		
SCR-B3A- cell B14B		
SCR-B3A- cell D14		
SCR-B3A- cell C15		
SCR-B3A- cell D15		
SCR-B3A- cell A16		
SCR-B3A- cell A16A		
SCR-B3A- cell B16		
SCR-B3A- cell B16A		
SCR-B3A- cell C16		
SCR-B3A- cell B16B		
SCR-B3A- cell D16		
SCR-B3A- cell A17	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell A17A	Please refer to SCR-B3A- cell A2.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3A- cell B17	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell B17A	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell C17	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell B17B	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell D17	Please refer to SCR-B3A- cell A2.	
SCR-B3A- cell A18		
SCR-B3A- cell A18A		
SCR-B3A- cell B18		
SCR-B3A- cell B18A		
SCR-B3A- cell C18		
SCR-B3A- cell B18B		
SCR-B3A- cell D18		
SCR-B3A- cell A19		
SCR-B3A- cell A19A		
SCR-B3A- cell C19		
SCR-B3A- cell D19		
SCR-B3A- cell A20		
SCR-B3A- cell A20A		
SCR-B3A- cell C20		
SCR-B3A- cell D20		
	Currency risk is viewed separately for different currencies. For each currency the worst scenario is chosen, this will depend on whether NAV_{curr} is positive or negative.	
SCR-B3A- cell A21	It should be ensured that the gross scenario is calculated to be consistent with the	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	chosen scenario used to produce the net figures (in line with the draft Level 2 text methodology).	
SCR-B3A- cell A21A		
SCR-B3A- cell B21	Please refer to SCR – B3A-cell A21.	
SCR-B3A- cell B21A		
SCR-B3A- cell C21	Please refer to SCR – B3A-cell A21.	
SCR-B3A- cell B21B		
SCR-B3A- cell D21	Please refer to SCR – B3A-cell A21.	
SCR-B3A- cell C22		
SCR-B3A- cell D22		
SCR-B3A- cell C23		
SCR-B3A- cell D23		
SCR-B3B – General	For general comments, please refer to cells SCR – B3A/B2A/B2B-General. The principle of proportionality should apply, it should be possible to group counterparties together when many exist.	
SCR-B3B – Purpose		
SCR-B3B – Benefits		
SCR-B3B – Costs		
SCR-B3B – Groups	We believe that this template will be manageable at group level.	
SCR-B3B – Materiality		
SCR-B3B-Disclosure		
SCR-B3B – Frequency		
SCR-B3B- cell A0	The breakdown of Type 1 counterparty type capital charges are not automatically	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	available, though can be calculated (pre-diversification) by setting all other counterparties to zero. This comment applies to SCR – B3B-cells A0-A4.	
SCR-B3B- cell B0		
SCR-B3B- cell A1		
SCR-B3B- cell A1A		
SCR-B3B- cell A2		
SCR-B3B- cell A3		
SCR-B3B- cell A4		
SCR-B3B- cell B6		
SCR-B3B- cell A7		
SCR-B3B- cell A8		
SCR-B3B- cell A9	It should be clear that this cell is a sum of SCR-B3B-cells A0, A6 and A8A.	
SCR-B3B- cell B9		
SCR-B3C – General	<p>For general comments, please refer to SCR – B3A/B2A/B2B – General.</p> <p>The benefits of reporting assets is not clear as undertakings do not allocate assets by underwriting risk modules, this allocation would be arbitrary, artificial and increase the cost of implementation. Furthermore, a risk based allocation of assets seems to be inappropriate because the value of the assets does not change in relation to the corresponding life risks.</p> <p>It appears more practical, when calculating the pre- and post-shock net asset value, to compare total assets with total liabilities for each risk module.</p> <p>It is not clear if annuity information for MTPL, TPL and workers compensation should be included in this template.</p> <p>The template is primarily designed to represent the SCR. To also report the assets and liabilities (both before and after the shock event) does not provide much additional</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	insight. Focussing the SCR-B3 templates on SCR would provide a balanced cost benefit. In many cases the risk is driven by either assets or liabilities and thus assets and liabilities may not be attributable to a single risk driver.	
SCR-B3C – Purpose	EIOPA’s stated purpose is to illustrate the main output of capital requirement calculation for this risk module, in accordance with comments to SCR-B3C-General; we believe that this template exceeds EIOPA’s purpose.	
SCR-B3C – Benefits	We believe there is low benefit from additional cells on assets and liabilities.	
SCR-B3C – Costs	Please refer to SCR-B3A – Costs with regards to assets and liabilities cells. We believe that the cost of producing the information required under this template outweighs the extra value provided to the supervisor (including controlling and governance costs).	
SCR-B3C – Groups	We believe that this template will be manageable at group level.	
SCR-B3C – Materiality		
SCR-B3C-Disclosure		
SCR-B3C – Frequency		
SCR-B3C- cell A1		
SCR-B3C- cell A1A		
SCR-B3C- cell B1		
SCR-B3C- cell B1A		
SCR-B3C- cell C1		
SCR-B3C- cell B1B		
SCR-B3C- cell D1		
SCR-B3C- cell A2		
SCR-B3C- cell A2A		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3C- cell B2		
SCR-B3C- cell B2A		
SCR-B3C- cell C2		
SCR-B3C- cell B2B		
SCR-B3C- cell D2		
SCR-B3C- cell A3		
SCR-B3C- cell A3A		
SCR-B3C- cell B3		
SCR-B3C- cell B3A		
SCR-B3C- cell C3		
SCR-B3C- cell B3B		
SCR-B3C- cell D3		
SCR-B3C- cell C04	<p>If it is evident which scenario gives the highest stress, it should be possible to leave the other two scenarios uncompleted.</p> <p>The gross capital requirement for lapse risk is the maximum of the single lapse risk capital requirements. This methodology differs from that set out in the draft Level 2 text whereby the gross value was used corresponding to scenario used to calculate the net value. The currently approach allows for different shock scenarios to be used for gross and net values. As a result, the gross and net capital requirements of different undertakings are not comparable and the risk reducing capacity of future profits cannot be calculated as the difference between gross and net capital requirements.</p>	
SCR-B3C- cell D04	Please refer to SCR – B3C-cell C04.	
SCR-B3C- cell A4		
SCR-B3C- cell A4A		
SCR-B3C- cell B4		
SCR-B3C- cell B4A		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3C- cell C4		
SCR-B3C- cell B4B		
SCR-B3C- cell D4		
SCR-B3C- cell A5		
SCR-B3C- cell A5A		
SCR-B3C- cell B5		
SCR-B3C- cell B5A		
SCR-B3C- cell C5		
SCR-B3C- cell B5B		
SCR-B3C- cell D5		
SCR-B3C- cell A6		
SCR-B3C- cell A6A		
SCR-B3C- cell B6		
SCR-B3C- cell B6A		
SCR-B3C- cell C6		
SCR-B3C- cell B6B		
SCR-B3C- cell D6		
SCR-B3C- cell A7		
SCR-B3C- cell A7A		
SCR-B3C- cell B7		
SCR-B3C- cell B7A		
SCR-B3C- cell C7		
SCR-B3C- cell B7B		
SCR-B3C- cell D7		
SCR-B3C- cell A8		
SCR-B3C- cell A8A		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3C- cell B8		
SCR-B3C- cell B8A		
SCR-B3C- cell C8		
SCR-B3C- cell B8B		
SCR-B3C- cell D8		
SCR-B3C- cell A9		
SCR-B3C- cell A9A		
SCR-B3C- cell B9		
SCR-B3C- cell B9A		
SCR-B3C- cell C9		
SCR-B3C- cell B9B		
SCR-B3C- cell D9		
SCR-B3C- cell C10		
SCR-B3C- cell D10		
SCR-B3C- cell C11		
SCR-B3C- cell D11		
SCR-B3C- cell A12		
SCR-B3D – General	<p>Please refer to SCR–B3A/B2A/B2B – General, for comments on bilateral shocks and that assets and liabilities may not be attributable to a single risk driver.</p> <p>The template appears to require assets to be split between the risk categories of technical provisions. In practice, assets are managed for the whole portfolio, otherwise certain diversification benefits wouldn't be achievable and the performance of policy holders' assets would decrease.</p> <p>Further clarification would be helpful on whether annuity information for accident claims should be included in this template.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3D – Purpose	EIOPA's purpose is to illustrate the main output of the capital requirement calculation for this risk module; we believe that this template is too detailed for this purpose.	
SCR-B3D – Benefits	We believe that the benefit from reporting additional assets and liabilities cells are low. Please refer to SCR – B3A – Benefits.	
SCR-B3D – Costs	Please refer to SCR-B3A – Costs for comments on reporting assets and liabilities cells.	
SCR-B3D – Groups	We believe that this template will be manageable at group level.	
SCR-B3D – Materiality		
SCR-B3D-Disclosure		
SCR-B3D – Frequency		
SCR-B3D- cell A12	The column heading for premium and reserve risk for the standard deviation states "USP". We believe this should be "USP or prescribed". This comment applies to cells SCR-B3D-cells A12 to A15.	
SCR-B3D- cell A12A		
SCR-B3D- cell B12	Please refer to SCR-B3D-cell A12. This comment applies to SCR-B3D-cells B12 to B15.	
SCR-B3D- cell C12		
SCR-B3D- cell D12		
SCR-B3D- cell E12	The default value of 1 should be acceptable for health insurance.	
SCR-B3D- cell F12		
SCR-B3D- cell A13		
SCR-B3D- cell A13A		
SCR-B3D- cell B13		
SCR-B3D- cell C13		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3D- cell D13		
SCR-B3D- cell E13	Please refer to SCR-B3D-cell A12. This comment applies to SCR-B3D-cells E12 to E15.	
SCR-B3D- cell F13		
SCR-B3D- cell A14		
SCR-B3D- cell A14A		
SCR-B3D- cell B14		
SCR-B3D- cell C14		
SCR-B3D- cell D14		
SCR-B3D- cell E14		
SCR-B3D- cell F14		
SCR-B3D- cell A15		
SCR-B3D- cell A15A		
SCR-B3D- cell B15		
SCR-B3D- cell C15		
SCR-B3D- cell D15		
SCR-B3D- cell E15		
SCR-B3D- cell F15		
SCR-B3D- cell A16		
SCR-B3D- cell A17		
SCR-B3D- cell A18		
SCR-B3D- cell A18A		
SCR-B3D- cell B18		
SCR-B3D- cell B18A		
SCR-B3D- cell C18		
SCR-B3D- cell A19		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3D- cell A20		
SCR-B3D- cell A21		
SCR-B3D- cell A22		
SCR-B3D- cell A23	It should be possible to check whether a loss absorbing capacity of technical provisions is available.	
SCR-B3D- cell A24	Please refer to SCR – B3D-cell A23.	
SCR-B3D- cell A25	Please refer to SCR – B3D-cell A23.	
SCR-B3D- cell A26		
SCR-B3D- cell A27		
SCR-B3E – General	<p>For general comments, please refer to SCR–B3A/B2A/B2B – General, in particular on assets and liabilities not being attributable to a single risk driver.</p> <p>We propose that Legal Expenses and Assistance be reported together with Miscellaneous-non-life insurance, if the volumes are immaterial.</p> <p>Any simplifications which used in Pillar I calculations should automatically be integrated into Pillar III reporting.</p>	
SCR-B3E – Purpose		
SCR-B3E – Benefits	Please refer to SCR – B3A – Benefits, for comments on reporting the assets and liabilities cells.	
SCR-B3E – Costs	Please refer to SCR – B3A – Costs, for comments on reporting the assets and liabilities cells.	
SCR-B3E – Groups	We believe that this template will be manageable at group level.	
SCR-B3E – Materiality		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3E-Disclosure		
SCR-B3E – Frequency		
SCR-B3E- cell A1	The LOG states that this cell needs to be reported only if the factor use is truly undertaking specific, and not if it is the one proposed in the SF. For practical purposes, we query if this cell should be reported even if the parameter used is equal to the one proposed in the draft Level 2 text.	
SCR-B3E- cell A1A		
SCR-B3E- cell B1	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C1		
SCR-B3E- cell D1		
SCR-B3E- cell E1		
SCR-B3E- cell F1		
SCR-B3E- cell A2	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A2A		
SCR-B3E- cell B2	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C2		
SCR-B3E- cell D2		
SCR-B3E- cell E2		
SCR-B3E- cell F2		
SCR-B3E- cell A3	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A3A		
SCR-B3E- cell B3	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C3		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3E- cell D3		
SCR-B3E- cell E3		
SCR-B3E- cell F3		
SCR-B3E- cell A4	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A4A		
SCR-B3E- cell B4	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C4		
SCR-B3E- cell D4		
SCR-B3E- cell E4		
SCR-B3E- cell F4		
	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A5		
SCR-B3E- cell A5A		
SCR-B3E- cell B5	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C5		
SCR-B3E- cell D5		
SCR-B3E- cell E5		
SCR-B3E- cell F5		
	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A6		
SCR-B3E- cell A6A		
	Please refer to SCR – B3E – A1.	
SCR-B3E- cell B6		
SCR-B3E- cell C6		
SCR-B3E- cell D6		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3E- cell E6		
SCR-B3E- cell F6		
SCR-B3E- cell A7	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A7A		
SCR-B3E- cell B7	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C7		
SCR-B3E- cell D7		
SCR-B3E- cell E7		
SCR-B3E- cell F7		
SCR-B3E- cell A8	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A8A		
SCR-B3E- cell B8	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C8		
SCR-B3E- cell D8		
SCR-B3E- cell E8		
SCR-B3E- cell F8		
SCR-B3E- cell A9	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A9A		
SCR-B3E- cell B9	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C9		
SCR-B3E- cell D9		
SCR-B3E- cell E9		
SCR-B3E- cell F9		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3E- cell A10	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A10A		
SCR-B3E- cell B10	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C10		
SCR-B3E- cell D10		
SCR-B3E- cell E10		
SCR-B3E- cell F10		
SCR-B3E- cell A11	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A11A		
SCR-B3E- cell B11	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C11		
SCR-B3E- cell D11		
SCR-B3E- cell E11		
SCR-B3E- cell F11		
SCR-B3E- cell A12	Please refer to SCR – B3E – A1.	
SCR-B3E- cell A12A		
SCR-B3E- cell B12	Please refer to SCR – B3E – A1.	
SCR-B3E- cell C12		
SCR-B3E- cell D12		
SCR-B3E- cell E12		
SCR-B3E- cell F12		
SCR-B3E- cell A13		
SCR-B3E- cell A14		

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

SCR-B3E- cell A15		
SCR-B3E- cell A15A		
SCR-B3E- cell B15		
SCR-B3E- cell B15A		
SCR-B3E- cell C15		
SCR-B3E- cell A16		
SCR-B3E- cell A17		
SCR-B3E- cell A18		
SCR-B3F – General	<p>The so called “pure” reinsurers (underwriting only reinsurance) will not hold a lot of the data included in this template due to the fact that it is information controlled and known by direct insurer only. We believe EIOPA should consider the applicability of this template to these undertakings.</p> <ol style="list-style-type: none"> 1. From the template and the LOG it is not clear what is meant by “specified gross loss” and how “scenario A” and “scenario B” are defined. 2. A few perils are not applicable for some undertakings or even for some countries for example, earthquake. We question how undertakings should report in such a situation. 3. For both natural and man-made catastrophes, exposures and expected premium income is requested. We question how undertakings should report if this information is not fully available for example, because part of the business is written by underwriting agents or written in pool-contracts where the undertaking is not the pool-leader. 4. In the template, starting from row 127 (man-made catastrophe risk-Marine), the formulae in cells D128 and D130 contains an error (highlighted in yellow in the table below). 	

	Total before diversification	Diversification between type of event	Total after diversification
Man made catastrophe risk - Marine			
Gross Cat Risk Charge Marine	A 9=D1 +E5	B9=A 9-C9	C9
Estimated Total Risk Mitigation	A10=A9-A11	B10=B9-B11	C10=C9-C11
Net Cat Risk Charge Marine	A11=D4+E8	B11=A11-C11	C11

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	The formula should be 'A9=D1+F5' and 'A11=D4+F8'.	
SCR-B3F – Purpose	EIOPA has indicated that the purpose of this template is to provide a summary of the SCR calculation for non-life catastrophe risks. This template is equivalent to the whole calculation of module and we therefore do not believe that the level of detail proposed corresponds to the intended purpose.	
SCR-B3F – Benefits		
SCR-B3F – Costs		
SCR-B3F – Groups		
SCR-B3F – Materiality		
SCR-B3F-Disclosure		
SCR-B3F – Frequency		
	<p>The row labels refer to EEA regions 1 to 20. We question if there is supposed to be a link to the draft Level 2 text. For example, if EEA region 1 explicitly refers to certain country/countries?</p> <p>The draft Level 2 text specifically excludes some countries in the EEA region from certain natural catastrophes. Is this taken into account somehow in the reporting, since each natural catastrophe seems to be a rolling list from EEA region 1 to EEA region 20?</p>	
SCR-B3F- cell Summary A1		
SCR-B3F- cell Summary C1		
SCR-B3F- cell Summary A9		
SCR-B3F- cell Summary C9		
SCR-B3F- cell Summary A17		
SCR-B3F- cell Summary C17		

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- A26	cell	Summary			
SCR-B3F- C26	cell	Summary			
SCR-B3F- A27	cell	Summary			
SCR-B3F- C27	cell	Summary			
SCR-B3F- A1	cell	Windstorm			
SCR-B3F- B1	cell	Windstorm			
SCR-B3F- C1	cell	Windstorm			
SCR-B3F- E1	cell	Windstorm			
SCR-B3F- F1	cell	Windstorm			
SCR-B3F- G1	cell	Windstorm			
SCR-B3F- H1	cell	Windstorm			
SCR-B3F- A2	cell	Windstorm	Please refer to SCR-B3F- cell Summary A1.		
SCR-B3F- B2	cell	Windstorm			
SCR-B3F- C2	cell	Windstorm			
SCR-B3F- E2	cell	Windstorm			
SCR-B3F- F2	cell	Windstorm			
SCR-B3F-	cell	Windstorm			

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
G2					
SCR-B3F- H2	cell	Windstorm			
SCR-B3F- A3	cell	Windstorm	SCR-B3F- cell Summary A1.		
SCR-B3F- B3	cell	Windstorm			
SCR-B3F- C3	cell	Windstorm			
SCR-B3F- E3	cell	Windstorm			
SCR-B3F- F3	cell	Windstorm			
SCR-B3F- G3	cell	Windstorm			
SCR-B3F- H3	cell	Windstorm			
SCR-B3F- A20	cell	Windstorm	SCR-B3F- cell Summary A1.		
SCR-B3F- B20	cell	Windstorm			
SCR-B3F- C20	cell	Windstorm			
SCR-B3F- E20	cell	Windstorm			
SCR-B3F- F20	cell	Windstorm			
SCR-B3F- G20	cell	Windstorm			
SCR-B3F- H20	cell	Windstorm			
SCR-B3F- A22	cell	Windstorm			

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- F22	cell	Windstorm			
SCR-B3F- G22	cell	Windstorm			
SCR-B3F- H22	cell	Windstorm			
SCR-B3F- I22	cell	Windstorm			
SCR-B3F- F25	cell	Windstorm			
SCR-B3F- I25	cell	Windstorm			
SCR-B3F- A1	cell	Earthquake	SCR-B3F- cell Summary A1.		
SCR-B3F- B1	cell	Earthquake			
SCR-B3F- C1	cell	Earthquake			
SCR-B3F- E1	cell	Earthquake			
SCR-B3F- F1	cell	Earthquake			
SCR-B3F- G1	cell	Earthquake			
SCR-B3F- A2	cell	Earthquake	SCR-B3F- cell Summary A1.		
SCR-B3F- B2	cell	Earthquake			
SCR-B3F- C2	cell	Earthquake			
SCR-B3F- E2	cell	Earthquake			
SCR-B3F-	cell	Earthquake			

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
F2					
SCR-B3F- cell Earthquake G2					
SCR-B3F- cell Earthquake A3			SCR-B3F- cell Summary A1.		
SCR-B3F- cell Earthquake B3					
SCR-B3F- cell Earthquake C3					
SCR-B3F- cell Earthquake E3					
SCR-B3F- cell Earthquake F3					
SCR-B3F- cell Earthquake G3					
SCR-B3F- cell Earthquake A20			SCR-B3F- cell Summary A1.		
SCR-B3F- cell Earthquake B20					
SCR-B3F- cell Earthquake C20					
SCR-B3F- cell Earthquake E20					
SCR-B3F- cell Earthquake F20					
SCR-B3F- cell Earthquake G20					
SCR-B3F- cell Earthquake A22					
SCR-B3F- cell Earthquake E22					
SCR-B3F- cell Earthquake F22					

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Earthquake G22		
SCR-B3F- cell Earthquake H22		
SCR-B3F- cell Earthquake E25		
SCR-B3F- cell Earthquake H25		
SCR-B3F- cell Flood A1	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Flood B1		
SCR-B3F- cell Flood C1		
SCR-B3F- cell Flood E1		
SCR-B3F- cell Flood F1		
SCR-B3F- cell Flood G1		
SCR-B3F- cell Flood H1		
SCR-B3F- cell Flood A2		
SCR-B3F- cell Flood B2	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Flood C2		
SCR-B3F- cell Flood E2		
SCR-B3F- cell Flood F2		
SCR-B3F- cell Flood G2		
SCR-B3F- cell Flood H2		
SCR-B3F- cell Flood A3	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Flood B3		
SCR-B3F- cell Flood C3		
SCR-B3F- cell Flood E3		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Flood F3		
SCR-B3F- cell Flood G3		
SCR-B3F- cell Flood H3		
SCR-B3F- cell Flood A20	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Flood B20		
SCR-B3F- cell Flood C20		
SCR-B3F- cell Flood E20		
SCR-B3F- cell Flood F20		
SCR-B3F- cell Flood G20		
SCR-B3F- cell Flood H20		
SCR-B3F- cell Flood A22		
SCR-B3F- cell Flood F22		
SCR-B3F- cell Flood G22		
SCR-B3F- cell Flood H22		
SCR-B3F- cell Flood I22		
SCR-B3F- cell Flood F25		
SCR-B3F- cell Flood I25		
SCR-B3F- cell Hail A1	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Hail B1		
SCR-B3F- cell Hail C1		
SCR-B3F- cell Hail E1		
SCR-B3F- cell Hail F1		
SCR-B3F- cell Hail G1		
SCR-B3F- cell Hail H1		
SCR-B3F- cell Hail A2	SCR-B3F- cell Summary A1.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Hail B2		
SCR-B3F- cell Hail C2		
SCR-B3F- cell Hail E2		
SCR-B3F- cell Hail F2		
SCR-B3F- cell Hail G2		
SCR-B3F- cell Hail H2		
SCR-B3F- cell Hail A3	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Hail B3		
SCR-B3F- cell Hail C3		
SCR-B3F- cell Hail E3		
SCR-B3F- cell Hail F3		
SCR-B3F- cell Hail G3		
SCR-B3F- cell Hail H3		
SCR-B3F- cell Hail A20	SCR-B3F- cell Summary A1.	
SCR-B3F- cell Hail B20		
SCR-B3F- cell Hail C20		
SCR-B3F- cell Hail E20		
SCR-B3F- cell Hail F20		
SCR-B3F- cell Hail G20		
SCR-B3F- cell Hail H20		
SCR-B3F- cell Hail A22		
SCR-B3F- cell Hail F22		
SCR-B3F- cell Hail G22		
SCR-B3F- cell Hail H22		
SCR-B3F- cell Hail I22		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Hail F25		
SCR-B3F- cell Hail I25		
SCR-B3F- cell Subsidence A1		
SCR-B3F- cell Subsidence B1		
SCR-B3F- cell Subsidence C1		
SCR-B3F- cell Subsidence F1		
SCR-B3F- cell Subsidence G1		
SCR-B3F- cell Subsidence H1		
SCR-B3F- cell Subsidence E3		
SCR-B3F- cell Subsidence H3		
SCR-B3F- cell Non-proportional property reinsurance A1		
SCR-B3F- cell Non-proportional property reinsurance B1		
SCR-B3F- cell Non-proportional property reinsurance C1		
SCR-B3F- cell Non-proportional property reinsurance D1		
SCR-B3F- cell Motor Vehicle Liability A1		

			Comments Template on Draft proposal for Quantitative Reporting Templates	Deadline 20 January 2012 12:00 CET
SCR-B3F- cell	Motor Vehicle	Liability A2		
SCR-B3F- cell	Motor Vehicle	Liability A3		
SCR-B3F- cell	Motor Vehicle	Liability A4		
SCR-B3F- cell	Motor Vehicle	Liability A5		
SCR-B3F- cell	Marine	Tanker Collision A1	The header stating "Maximum marine hull" should be replaced with "Marine Hull or equivalent", since the standard formula calculation in the draft Level 2 text is based on a given tanker having the maximum sum of the three (Marine Hull + Marine Liability + Marine Oil Pollution Liability), not the maximum of the components of the sum.	
SCR-B3F- cell	Marine	Tanker Collision B1	Please refer to SCR-B3F- cell Marine Tanker Collision A1.	
SCR-B3F- cell	Marine	Tanker Collision C1	Please refer to SCR-B3F- cell Marine Tanker Collision A1.	
SCR-B3F- cell	Marine	Tanker Collision A2		
SCR-B3F- cell	Marine	Tanker Collision B2		
SCR-B3F- cell	Marine	Tanker Collision C2		
SCR-B3F- cell	Marine	Tanker Collision A3		
SCR-B3F- cell	Marine	Tanker Collision B3		
SCR-B3F- cell	Marine	Tanker Collision C3		
SCR-B3F- cell	Marine	Platform Explosion A5		
SCR-B3F- cell	Marine			

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Platform Explosion B5		
SCR-B3F- cell Marine Platform Explosion C5		
SCR-B3F- cell Marine Platform Explosion D5		
SCR-B3F- cell Marine Platform Explosion E5		
SCR-B3F- cell Marine Platform Explosion A6		
SCR-B3F- cell Marine Platform Explosion B6		
SCR-B3F- cell Marine Platform Explosion C6		
SCR-B3F- cell Marine Platform Explosion D6		
SCR-B3F- cell Marine Platform Explosion E6		
SCR-B3F- cell Marine Platform Explosion A7		
SCR-B3F- cell Marine Platform Explosion B7		
SCR-B3F- cell Marine Platform Explosion C7		
SCR-B3F- cell Marine Platform Explosion D7		
SCR-B3F- cell Marine Platform Explosion E7		
SCR-B3F- cell Marine C9		
SCR-B3F- cell Marine C11		
SCR-B3F- cell Aviation A1		
SCR-B3F- cell Aviation B1		
SCR-B3F- cell Aviation A2	In the case of unlimited cover, we question what should be reported in this cell?	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

SCR-B3F- cell Aviation B2		
SCR-B3F- cell Aviation A3		
SCR-B3F- cell Aviation B3		
SCR-B3F- cell Fire A1		
SCR-B3F- cell Fire A2		
SCR-B3F- cell Fire A3		
SCR-B3F- cell Liability A1		
SCR-B3F- cell Liability B1		
SCR-B3F- cell Liability C1		
SCR-B3F- cell Liability D1		
SCR-B3F- cell Liability E1		
SCR-B3F- cell Liability A2		
SCR-B3F- cell Liability B2		
SCR-B3F- cell Liability C2		
SCR-B3F- cell Liability D2		
SCR-B3F- cell Liability E2		
SCR-B3F- cell Liability A3		
SCR-B3F- cell Liability B3		
SCR-B3F- cell Liability C3		
SCR-B3F- cell Liability D3		
SCR-B3F- cell Liability E3		
SCR-B3F- cell Liability A4		
SCR-B3F- cell Liability B4		
SCR-B3F- cell Liability C4		
SCR-B3F- cell Liability D4		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Liability E4		
SCR-B3F- cell Liability A1		
SCR-B3F- cell Liability A5		
SCR-B3F- cell Liability B5		
SCR-B3F- cell Liability C5		
SCR-B3F- cell Liability D5		
SCR-B3F- cell Liability E5		
SCR-B3F- cell Liability A6		
SCR-B3F- cell Liability B6		
SCR-B3F- cell Liability C6		
SCR-B3F- cell Liability D6		
SCR-B3F- cell Liability E6		
SCR-B3F- cell Liability A8		
SCR-B3F- cell Liability B8		
SCR-B3F- cell Liability C8		
SCR-B3F- cell Liability D8		
SCR-B3F- cell Liability E8		
SCR-B3F- cell Liability A9		
SCR-B3F- cell Liability B9		
SCR-B3F- cell Liability C9		
SCR-B3F- cell Liability D9		
SCR-B3F- cell Liability E9		
SCR-B3F- cell Liability A10		
SCR-B3F- cell Liability B10		
SCR-B3F- cell Liability C10		
SCR-B3F- cell Liability D10		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Liability E10		
SCR-B3F- cell Liability A12		
SCR-B3F- cell Liability B12		
SCR-B3F- cell Liability C12		
SCR-B3F- cell Liability D12		
SCR-B3F- cell Liability E12		
SCR-B3F- cell Liability H12		
SCR-B3F- cell Liability A14		
SCR-B3F- cell Liability B14		
SCR-B3F- cell Liability C14		
SCR-B3F- cell Liability D14		
SCR-B3F- cell Liability E14		
SCR-B3F- cell Liability H14		
SCR-B3F- cell Credit & Suretyship Large Credit Default A1		
SCR-B3F- cell Credit & Suretyship Large Credit Default B1		
SCR-B3F- cell Credit & Suretyship Large Credit Default A2		
SCR-B3F- cell Credit & Suretyship Large Credit Default B2		
SCR-B3F- cell Credit & Suretyship Large Credit Default A4		
SCR-B3F- cell Credit & Suretyship Large Credit		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Default B4		
SCR-B3F- cell Credit & Suretyship Large Credit Default A5		
SCR-B3F- cell Credit & Suretyship Large Credit Default B5		
SCR-B3F- cell Credit & Suretyship Recession Risk A7		
SCR-B3F- cell Credit & Suretyship Recession Risk A8		
SCR-B3F- cell Credit & Suretyship Recession Risk A9		
SCR-B3F- cell Credit & Suretyship Recession Risk A10		
SCR-B3F- cell Credit & Suretyship C12		
SCR-B3F- cell Credit & Suretyship C14		
SCR-B3F- cell Other non- life catastrophe risk A1		
SCR-B3F- cell Other non- life catastrophe risk B1		
SCR-B3F- cell Other non- life catastrophe risk C1		
SCR-B3F- cell Other non- life catastrophe risk D1		
SCR-B3F- cell Other non- life catastrophe risk E1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Other non-life catastrophe risk A2		
SCR-B3F- cell Other non-life catastrophe risk B2		
SCR-B3F- cell Other non-life catastrophe risk C2		
SCR-B3F- cell Other non-life catastrophe risk D2		
SCR-B3F- cell Other non-life catastrophe risk E2		
SCR-B3F- cell Other non-life catastrophe risk H2		
SCR-B3F- cell Other non-life catastrophe risk A4		
SCR-B3F- cell Other non-life catastrophe risk B4		
SCR-B3F- cell Other non-life catastrophe risk C4		
SCR-B3F- cell Other non-life catastrophe risk D4		
SCR-B3F- cell Other non-life catastrophe risk E4		
SCR-B3F- cell Other non-life catastrophe risk H4		
SCR-B3F- cell Mass Accident A1		
SCR-B3F- cell Mass Accident B1		
SCR-B3F- cell Mass Accident C1		
SCR-B3F- cell Mass Accident D1		
SCR-B3F- cell Mass		

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Accident E1					
SCR-B3F- Accident F1	cell	Mass			
SCR-B3F- Accident G1	cell	Mass			
SCR-B3F- Accident H1	cell	Mass			
SCR-B3F- Accident I1	cell	Mass			
SCR-B3F- Accident J1	cell	Mass			
SCR-B3F- Accident K1	cell	Mass			
SCR-B3F- Accident L1	cell	Mass			
SCR-B3F- Accident M1	cell	Mass			
SCR-B3F- Accident A2	cell	Mass			
SCR-B3F- Accident B2	cell	Mass			
SCR-B3F- Accident C2	cell	Mass			
SCR-B3F- Accident D2	cell	Mass			
SCR-B3F- Accident E2	cell	Mass			
SCR-B3F- Accident F2	cell	Mass			
SCR-B3F- Accident G2	cell	Mass			
SCR-B3F- Accident H2	cell	Mass			

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F-Accident I2	cell	Mass			
SCR-B3F-Accident J2	cell	Mass			
SCR-B3F-Accident K2	cell	Mass			
SCR-B3F-Accident L2	cell	Mass			
SCR-B3F-Accident M2	cell	Mass			
SCR-B3F-Accident A3	cell	Mass			
SCR-B3F-Accident B3	cell	Mass			
SCR-B3F-Accident C3	cell	Mass			
SCR-B3F-Accident D3	cell	Mass			
SCR-B3F-Accident E3	cell	Mass			
SCR-B3F-Accident F3	cell	Mass			
SCR-B3F-Accident G3	cell	Mass			
SCR-B3F-Accident H3	cell	Mass			
SCR-B3F-Accident I3	cell	Mass			
SCR-B3F-Accident J3	cell	Mass			
SCR-B3F-Accident K3	cell	Mass			
SCR-B3F-	cell	Mass			

			Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Accident L3					
SCR-B3F- Accident M3	cell	Mass			
SCR-B3F- Accident A20	cell	Mass			
SCR-B3F- Accident B20	cell	Mass			
SCR-B3F- Accident C20	cell	Mass			
SCR-B3F- Accident D20	cell	Mass			
SCR-B3F- Accident E20	cell	Mass			
SCR-B3F- Accident F20	cell	Mass			
SCR-B3F- Accident G20	cell	Mass			
SCR-B3F- Accident H20	cell	Mass			
SCR-B3F- Accident I20	cell	Mass			
SCR-B3F- Accident J20	cell	Mass			
SCR-B3F- Accident K20	cell	Mass			
SCR-B3F- Accident L20	cell	Mass			
SCR-B3F- Accident M20	cell	Mass			
SCR-B3F- Accident K22	cell	Mass			
SCR-B3F- Accident N22	cell	Mass			

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- Concentration Accident A1	cell	
SCR-B3F- Concentration Accident B1	cell	
SCR-B3F- Concentration Accident C1	cell	
SCR-B3F- Concentration Accident D1	cell	
SCR-B3F- Concentration Accident E1	cell	
SCR-B3F- Concentration Accident F1	cell	
SCR-B3F- Concentration Accident G1	cell	
SCR-B3F- Concentration Accident H1	cell	
SCR-B3F- Concentration Accident I1	cell	
SCR-B3F- Concentration Accident A2	cell	
SCR-B3F- Concentration Accident B2	cell	
SCR-B3F- Concentration Accident C2	cell	
SCR-B3F- Concentration Accident D2	cell	
SCR-B3F- Concentration Accident E2	cell	
SCR-B3F- Concentration Accident F2	cell	
SCR-B3F- Concentration Accident G2	cell	
SCR-B3F-	cell	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Concentration Accident H2		
SCR-B3F- cell Concentration Accident I2		
SCR-B3F- cell Concentration Accident A3		
SCR-B3F- cell Concentration Accident B3		
SCR-B3F- cell Concentration Accident C3		
SCR-B3F- cell Concentration Accident D3		
SCR-B3F- cell Concentration Accident E3		
SCR-B3F- cell Concentration Accident F3		
SCR-B3F- cell Concentration Accident G3		
SCR-B3F- cell Concentration Accident H3		
SCR-B3F- cell Concentration Accident I3		
SCR-B3F- cell Concentration Accident A20		
SCR-B3F- cell Concentration Accident B20		
SCR-B3F- cell Concentration Accident C20		
SCR-B3F- cell Concentration Accident D20		
SCR-B3F- cell Concentration Accident E20		
SCR-B3F- cell Concentration Accident F20		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3F- cell Concentration Accident G20		
SCR-B3F- cell Concentration Accident H20		
SCR-B3F- cell Concentration Accident I20		
SCR-B3F- cell Concentration Accident G22		
SCR-B3F- cell Concentration Accident J22		
SCR-B3F- cell Pandemic A1		
SCR-B3F- cell Pandemic B1		
SCR-B3F- cell Pandemic C1		
SCR-B3F- cell Pandemic D1		
SCR-B3F- cell Pandemic E1		
SCR-B3F- cell Pandemic F1		
SCR-B3F- cell Pandemic A2		
SCR-B3F- cell Pandemic B2		
SCR-B3F- cell Pandemic C2		
SCR-B3F- cell Pandemic D2		
SCR-B3F- cell Pandemic E2		
SCR-B3F- cell Pandemic F2		
SCR-B3F- cell Pandemic A3		
SCR-B3F- cell Pandemic B3		
SCR-B3F- cell Pandemic C3		
SCR-B3F- cell Pandemic D3		
SCR-B3F- cell Pandemic E3		
SCR-B3F- cell Pandemic F2		

			Comments Template on Draft proposal for Quantitative Reporting Templates	Deadline 20 January 2012 12:00 CET
SCR-B3F- A20	cell	Pandemic		
SCR-B3F- B20	cell	Pandemic		
SCR-B3F- C20	cell	Pandemic		
SCR-B3F- D20	cell	Pandemic		
SCR-B3F- E20	cell	Pandemic		
SCR-B3F- F20	cell	Pandemic		
SCR-B3F- F21	cell	Pandemic		
SCR-B3F- D22	cell	Pandemic		
SCR-B3F- G22	cell	Pandemic		
SCR-B3G – General			For general comments, please refer to SCR – B2A/B2B-General. There should be a consistency in terminology used within the templates, for example: “earned premium” (lines A5 to A10) and written premium in MCR – B4A (column C).	
SCR-B3G – Purpose				
SCR-B3G – Benefits				
SCR-B3G – Costs				
SCR-B3G – Groups			We believe that this template will be manageable at group level.	
SCR-B3G – Materiality				
SCR-B3G-Disclosure				

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SCR-B3G - Frequency		
SCR-B3G- cell A1		
SCR-B3G- cell A2		
SCR-B3G- cell A3		
SCR-B3G- cell A4	The example provided in the LOG is given to 4 decimal places in contrast to other examples which are given as rounded numbers. General guidance would be helpful with regards to the format and the implications that would have for systems solutions.	
SCR-B3G- cell A5	The definition of the earned premium is incorrect. It claims that the whole written premium should be earned over the term of the policy. In the life insurance there often is however the deposit component, which won't be earned. The draft Level 2 text recognises that: <i>"'earned premiums' means, in relation to a specified time period, the premiums relating to the risk covered by the insurance or reinsurance undertaking in that time period;"</i>	
SCR-B3G- cell A6	See the comment in cell A5.	
SCR-B3G- cell A7	See the comment in cell A5.	
SCR-B3G- cell A8	See the comment in cell A5.	
SCR-B3G- cell A9	See the comment in cell A5.	
SCR-B3G- cell A10		
SCR-B3G- cell A11	Please refer to SCR-B3G- cell A4.	
SCR-B3G- cell A12		
SCR-B3G- cell A13	Further guidance should be provided on how to complete this cell.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	It should be made clearer in the text of the template that only 30% of the net Basic Solvency Capital requirement should be entered, not the full extent.	
SCR-B3G- cell A14		
SCR-B3G- cell A15		
SCR-B3G- cell A16		
MCR-B4A & B4B – General	<p>MCR-B4A</p> <p>Article 129 of Level 1 foresees quarterly calculation and reporting of the MCR, we believe that this template reflects what will be required under Solvency II. It will be essential to develop processes to ensure that reporting has a means of verifying that the reports tie back to each other. Creating a mechanism for making sure reports tie back and link correctly will be important if the templates are going to meet regulatory and undertaking needs.</p> <p>We believe the MCR templates would benefit from a simpler layout for example, it is currently unclear where annuities related to non-life contracts should be reported. A simpler layout, perhaps setting out the input (which is in turn linked to another template for automatic cross-validation), the factor applied and the result, the sum of such results being the MCR, would be easier for supervisory review. This would also aid management oversight and approval.</p> <p>MCR-B4B</p> <p>For general comments on MCR templates, please refer to feedback on template MCR – B4A above.</p> <p>If not specified, the same changes as identified for the MCR-B4A template apply to the MCR- B4B template.</p>	
MCR-B4A & B4B – Purpose		
MCR-B4A & B4B – Benefits		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4A & B4B – Costs	We agree with EIOPA that the costs should be limited as undertakings are required to calculate and report MCR on quarterly basis.	
MCR-B4A & B4B – Groups		
MCR-B4A & B4B Materiality		
MCR-B4A & B4B-Disclosure	<p>It is our understanding that these templates would be disclosed in the SFCR which will be published by default on an annual basis. Please refer to our general comments on Q4 reporting.</p> <p>We query how undertakings should report in the case their member state uses the option to not require disclosure of capital add-ons under Article 51(2) of the framework directive.</p>	
MCR-B4A & B4B – Frequency		
MCR-B4A- cell A1		
MCR-B4A- cell B2		
MCR-B4A- cell C2	<p>Further guidance should be provided regarding meaning of written premiums. The definition provided in the LOG is that written premiums should be defined as “all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later financial year”.</p> <p>What is not clear is whether this should take into consideration the undertaking’s credit arrangements i.e. should this include premiums from contracts entered into in the financial year regardless of whether they or not they are due, the insurer may have allowed a credit period to the insured. Also, how should premiums paid in instalments be treated?</p> <p>We propose that the definition of written premiums should be as follows:</p> <p><i>“Premiums due from the insurance contracts written in the financial year regardless of</i></p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

	<p><i>the fact that such amounts may relate in whole or in part to a later financial year.”</i></p> <p>This comment applies to MCR – B4A – cells E2 – E17 and cells G2-G17.</p>	
MCR-B4A- cell B3		
MCR-B4A- cell C3		
MCR-B4A- cell B4		
MCR-B4A- cell C4		
MCR-B4A- cell B5		
MCR-B4A- cell C5		
MCR-B4A- cell B6		
MCR-B4A- cell C6		
MCR-B4A- cell B7		
MCR-B4A- cell C7		
MCR-B4A- cell B8		
MCR-B4A- cell C8		
MCR-B4A- cell B9		
MCR-B4A- cell C9		
MCR-B4A- cell B10		
MCR-B4A- cell C10		
MCR-B4A- cell B11		
MCR-B4A- cell C11		
MCR-B4A- cell B12		
MCR-B4A- cell C12		
MCR-B4A- cell B13		
MCR-B4A- cell C13		
MCR-B4A- cell B14		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4A- cell C14		
MCR-B4A- cell B15		
MCR-B4A- cell C15		
MCR-B4A- cell B16		
MCR-B4A- cell C16		
MCR-B4A- cell B17		
MCR-B4A- cell C17		
MCR-B4A- cell A18		
MCR-B4A- cell B19		
MCR-B4A- cell B20		
MCR-B4A- cell B21		
MCR-B4A- cell B22		
MCR-B4A- cell C23		
MCR-B4A- cell A24		
MCR-B4A- cell A25		
MCR-B4A- cell A26		
MCR-B4A- cell A27		
MCR-B4A- cell A28		
MCR-B4A- cell A29		
MCR-B4A- cell A30		
MCR-B4A- cell A31		
MCR-B4B- cell B1		
MCR-B4B- cell C1		
MCR-B4B- cell D2		
MCR-B4B- cell E2	Please refer to MCR – B4A cell C2.	
MCR-B4B- cell F2		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4B- cell G2	Please refer to MCR – B4A cells C2.	
MCR-B4B- cell D3		
MCR-B4B- cell E3		
MCR-B4B- cell F3		
MCR-B4B- cell G3		
MCR-B4B- cell D4		
MCR-B4B- cell E4		
MCR-B4B- cell F4		
MCR-B4B- cell G4		
MCR-B4B- cell D5		
MCR-B4B- cell E5		
MCR-B4B- cell F5		
MCR-B4B- cell G5		
MCR-B4B- cell D6		
MCR-B4B- cell E6		
MCR-B4B- cell F6		
MCR-B4B- cell G6		
MCR-B4B- cell D7		
MCR-B4B- cell E7		
MCR-B4B- cell F7		
MCR-B4B- cell G7		
MCR-B4B- cell D8		
MCR-B4B- cell E8		
MCR-B4B- cell F8		
MCR-B4B- cell G8		
MCR-B4B- cell D9		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4B- cell E9		
MCR-B4B- cell F9		
MCR-B4B- cell G9		
MCR-B4B- cell D10		
MCR-B4B- cell E10		
MCR-B4B- cell F10		
MCR-B4B- cell G10		
MCR-B4B- cell D11		
MCR-B4B- cell E11		
MCR-B4B- cell F11		
MCR-B4B- cell G11		
MCR-B4B- cell D12		
MCR-B4B- cell E12		
MCR-B4B- cell F12		
MCR-B4B- cell G12		
MCR-B4B- cell D13		
MCR-B4B- cell E13		
MCR-B4B- cell F13		
MCR-B4B- cell G13		
MCR-B4B- cell D14		
MCR-B4B- cell E14		
MCR-B4B- cell F14		
MCR-B4B- cell G14		
MCR-B4B- cell D15		
MCR-B4B- cell E15		
MCR-B4B- cell F15		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4B- cell G15		
MCR-B4B- cell D16		
MCR-B4B- cell E16		
MCR-B4B- cell F16		
MCR-B4B- cell G16		
MCR-B4B- cell D17		
MCR-B4B- cell E17		
MCR-B4B- cell F17		
MCR-B4B- cell G17		
MCR-B4B- cell B18		
MCR-B4B- cell C18		
MCR-B4B- cell D19		
MCR-B4B- cell F19		
MCR-B4B- cell D20		
MCR-B4B- cell F20		
MCR-B4B- cell D21		
MCR-B4B- cell F21		
MCR-B4B- cell D22		
MCR-B4B- cell F22		
MCR-B4B- cell E23		
MCR-B4B- cell G23		
MCR-B4B- cell A24		
MCR-B4B- cell A25		
MCR-B4B- cell A26		
MCR-B4B- cell A27		
MCR-B4B- cell A28		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
MCR-B4B- cell A29		
MCR-B4B- cell A30		
MCR-B4B- cell A31		
MCR-B4B- cell B32		
MCR-B4B- cell C32		
MCR-B4B- cell B33		
MCR-B4B- cell C33		
MCR-B4B- cell B34		
MCR-B4B- cell C34		
MCR-B4B- cell B35		
MCR-B4B- cell C35		
MCR-B4B- cell B36		
MCR-B4B- cell C36		
MCR-B4B- cell B37		
MCR-B4B- cell C37		
MCR-B4B- cell B38		
MCR-B4B- cell C38		
MCR-B4B- cell B39		
MCR-B4B- cell C39		
Assets-D1- General	<p>These templates are incredibly complex and will be difficult to complete, particularly in cases when data must be collected from external service providers. Service providers themselves may rely on other sources which creates multiple parties in the 'data chain'. At solo level, it will be required to develop data storage systems to consolidate information from numerous databases. In cases when data is required from external service providers, it can be assumed that the undertaking will be responsible for the cost.</p> <p>It may prove very difficult to obtain information from external service</p>	

<p style="text-align: center;">Comments Template on Draft proposal for Quantitative Reporting Templates</p>		<p style="text-align: right;">Deadline 20 January 2012 12:00 CET</p>
	<p>providers, for example fund managers, to perform the investment funds look through.</p> <p>Representatives from this industry, the Third Party Administrators (TPAs), acknowledge this issue and identify the many third parties that exist within the data chain. To collate this kind of information may take weeks and sometimes months. Within the deadlines anticipated by EIOPA, this will be a huge challenge.</p> <p>Rating agencies and data decimators will charge additional fees for information to be passed on to third parties (supervisors) therefore the cost to the industry will be large. The fact this is not linked to overall compliance with Solvency II is concerning.</p> <p>A mapping exercise will be required in order to match data types to the codes in the CIC table. The definitions of data elements may vary across the EU so it will be necessary to ensure that matching to CIC codes is carried out in a consistent way. It could be the case that different countries apply the definitions in differing ways. For example, it is unclear to us what "structured notes" refers to.</p> <p>We query whether it is required to report loans on policies and cash accounts. Some larger groups have over 100 thousand cash accounts and therefore it would be difficult to report single entries.</p> <p>With regards to this template specifically, we are unsure as to how the look-through will reconcile with this template. For example Assets-D1 shows a single line valuation of the investment fund (unit price x volume), this would include other fund balance sheet items (current assets / liabilities). In Assets – D4, a breakdown per asset class if required which would show the asset valuations on a gross basis i.e. exclude the other items. We query if the valuation in Assets-D1 should simply be apportioned across the asset classes in Assets-D4?</p> <p>For general comments on the LOG examples which make reference to balance sheet items, please refer to BS – C1.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1- Purpose	We believe that reporting assets to this level of detail goes beyond what would be required to assess the solvency situation of an undertaking.	
Assets-D1- Benefits	It would be helpful if supervisors on a cross sectoral basis could develop a database to consolidate data for supervisory reporting from all entities. From an insurance perspective, much of the information requested on Assets could be easily retrieved from the ISIN code. If, for quarterly reporting, undertakings could report the ISIN code only, it would significantly reduce the burden of supervisory reporting.	
Assets-D1- Costs	For a medium sized undertakings, the yearly cost to report information on Assets provided by an external source (for example Bloomberg) could be between 150 K€-250 K€. This cost would hugely increase if information on unit linked assets would also be reported. Also, the data collected from Bloomberg or rating agencies are for internal use only and the subsequent publication of such data would have a prohibitive cost.	
Assets-D1- Groups	<p>The corresponding summary document states that "reporting at group level should only concern assets of the holding entity, non-EEA insurance undertakings and other non-supervised entities within the group". In this context it is unclear if the term "holding entity" is the same as "insurance holding company" as defined by Article 212(f) of the framework directive, or if another scope is intended in this respect. The final summary document should be clear on these points.</p> <p>At group level there will be an issue of double gearing particularly in cases where assets are required by portfolio, it may be the case that assets belong to more than one portfolio in which case, assets would be double counted. There is also an issue for groups on how to establish a data storage system to hold this capacity of information.</p>	
Assets-D1- Materiality		
Assets-D1- Disclosure	We support EIOPA's decision not to disclose any of the Assets templates. The disclosure of investment funds in BS-C1 is sufficient.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1- Frequency		
Assets - D1 - Quarterly Exemption	EIOPA has not indicated that a quarterly exemption could be applied to this template. We are working on the basis that this template would be reported only annually.	
Assets-D1- cell A1	<p>The split of assets as proposed would require a significant remapping exercise.</p> <p>The distinction between Life and Non-Life is currently not available on reinsurance assets. It will be burdensome to introduce this split.</p> <p>The Life/Non-Life distinction may also not be available for some lines of business written by composite insurers (e.g. disability insurance). The CEA queries whether a materiality threshold could be introduced for composite undertakings for which the split is mandatory. An example, it could be 5%: if the premium volume of a life company within an insurance group is less than 5% compared to the non-life company, then the undertaking could be regarded as a 'non-composite'.</p> <p>The large CIC classification matrix may be difficult to maintain with a high accuracy, as a result it may increase operational risk as undertakings may use classify the assets differently. For example, we query whether "Government Guaranteed" belongs to "Government", "Other" or "Corporate".</p> <p>We do not believe that the definition of "portfolio" is not consistent with all Assets templates, for example D20 and D2T.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Are unit linked funds considered to be ring fenced? • Where an asset is held in a ring fenced fund but the fund also covers, for example, Life Technical Provisions, should this be reported as "life" or "ring fenced"? • Some funds, such as annuity funds may have a portion of free assets that cannot be linked to a specific underlying asset, therefore how should how different portfolios within one fund should be reported? 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1- cell A2	<p>Further guidance on "other internal funds" and "assets that are not freely disposable" would be helpful. We question whether unit linked funds would fall under either of these categories?</p> <p>Also, should the definitions for "fund number" also be aligned with cells A2 in templates Assets-D2 and D5?</p>	
Assets-D1- cell A3	<p>Since the risks related to these assets are not borne by the undertaking, we believe that this information may not be valuable for the supervisor.</p> <p>In the case that undertakings manage their portfolios as a whole, resulting in a particular securities holding being jointly owned by several portfolios/funds, this cell could be expressed as a fraction (percentage) of the holding for which the undertaking bears the investment risk.</p>	
Assets-D1- cell A4	<p>An issue has been raised with regards to the use of ISIN codes, in some counties assets held in the portfolio may not have an ISIN code. This could be as much as 20% of the portfolio with around 4% of assets in the portfolio having incomplete information linked to the ISIN code.</p> <p>Further guidance is necessary from EIOPA as to what codes undertakings should apply as an alternative. Reporting without a clear and complete assets database will be burdensome for undertakings. If many difference methodologies are applied, the results will be heterogeneous and not in line with the principles of Solvency II.</p>	
Assets-D1- cell A5		
Assets-D1- cell A6		
Assets-D1- cell A7		
Assets-D1- cell A8	<p>There may be cost implications if it is not possible to get the information on the ultimate parent, from one source, for all securities.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	We query if a standard code is used, what form will the standard code take and who will be responsible for setting up and maintaining it?	
Assets-D1- cell A9	<p>NACE codes are not readily available from current data sources for example, Bloomberg. An exercise will be required to map issuers to NACE codes. There is a risk of differences between the ways in which different entities complete this mapping.</p> <p>This could be avoided if supervisors centrally created a mapping of issuers to NACE codes rather than requesting this information via the QRTs. Other code systems are currently used across Europe, such as ICB and GICS, this makes the necessity for a mapping system even more essential. It is important that EIOPA communicates the necessary codes to be used well in advance of entry into force of Solvency II.</p> <p>There is an open question as to whether a licence fee should be paid in order to use NACE codes, in such cases, undertakings would be required to pay for the use of multiple coding systems.</p> <p>If it is the intention to collect information on non-tradable securities then the information should be collected specifically for that purpose and not part of a general requirement for all of industry.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Would it be possible to use other codes such as Bloomberg? • We question how non-financial sectors would be dealt with as they may not necessarily have an “issuer sector code”. 	
Assets-D1- cell A10	<p>This information must be sourced from an external provider and will be difficult to report unless the fund/issuer has provided their ultimate parent company information. This is not always the case.</p> <p>Group structures are frequently subject to change and to update this information will be time consuming.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	If ISIN codes have been used in cell A4 of this template, then the information will be easily identifiable. Please refer to D1- cell A4 for CEA comments on the use of ISIN codes.	
Assets-D1- cell A11	<p>The correct interpretation of “legal seat” must be applied in order to fulfil the purpose of this requirement i.e. geographical risk assessment.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Does issuer country refer to the entity identified under the “issuer name” or “issuer group” [the working assumption would be that it refers to the issuer name and not the group]? • Does seat of issuer mean “country of incorporation”, “tax domicile” or another definition? • Comments explained in Assets-D1-cell A9 are applicable here. 	
Assets-D1- cell A12	For assets that are out on loan, repro’d or have been pledged as collateral, does the “country” correspond to the counterparty that is holding the asset?	
Assets-D1- cell A13		
Assets-D1- cell A15	<p>Please refer to Assets – D1 – General.</p> <p>Any new asset classification system will involve tremendous administrative costs at first; such codes would have to be entered manually for the current book of business.</p> <p>Supervisory guidance is necessary to ensure all undertakings apply the codes in the same way, for example it could be the case that the same security is assigned a different CIC by different groups and undertakings. It could also be the case that different undertakings use other CIC codes for the same investment instruments. It would be helpful if the CIC code is issued together with the ISIN codes or other codes used as a result of reporting requirements. It would be useful to complete a mapping exercise as outlined in D1- cell A9.</p> <p>As it currently stands, the CIC does not seem to adequately distinguish between</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>different types of risk categories, primarily with bonds. Financials and Corporates as well as Covered Bonds are all put into one asset group (Bonds- Corporate bonds), subordinated bonds are not addressed as a single category. Additional categories would be helpful, such as private equities. Furthermore, we suggest merging commodities funds with alternative funds.</p> <p>There is a need for a strong and stable reference framework, more precise definitions should be provided for each category, especially concerning Investment Funds.</p> <p>Clarification is also required as to what code would be used when the security is unlisted.</p> <p>We question the relevance of applying this to unit linked related securities from the perspective of risk exposure monitoring, considering that the investment risk is not supported by the undertaking.</p>	
Assets-D1- cell A16	<p>We propose that this cell be deleted from the group template since after consolidation, the same amount may not be easily identifiable.</p> <p>The codes listed in the LOG are ambiguous, "N / YNGNS / YNGS / YGNS / YGS". A choice of Y/N would be clearer?</p>	
Assets-D1- cell A17	<p>There is an issue of how to deal with assets that are rated by more than one agency, we query whether the (re)insurer should use a form of 'expert assessment' or if another methodology should be applied. For example, in some cases a blended rating is used whereby the ratings from all the major agencies are examined and an aggregate of these ratings is established. In other cases the second best rating is used, this is the method used when assessing counterparty default risk.</p> <p>Any guidance on the above issues should not consequently force undertakings to determine multiple ratings. Undertakings should report the external rating which in their view, is best representative and used internally for SCR/MCR calculations.</p> <p>Data based on rating assessments should only be requested on annual reporting</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>dates. Any request in between would be too onerous and require an ongoing maintenance process of the data set.</p> <p>EIOPA should communicate their guidance well in advance of entry into force of Solvency II.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • When external ratings are not available, should the undertaking determine an internal rating or leave this cell blank? This may be the case for tangible assets, mortgages or investment funds. 	
Assets-D1- cell A18	Please refer to Assets D1- cell A17.	
Assets-D1- cell A19		
Assets-D1- cell A20	<p>For some mutual funds this information may be difficult to provide in a standardised way. In the case of mixed mutual funds, it must be ensured that this information is interpreted in the correct way, thus as only applicable for the bond (and cash) portion of the fund.</p> <p>For Alternative Investment Funds, it is not always possible to perform a look through with regards to the duration, normally it is only the duration of the fund that is registered.</p> <p>It should be clearly stated that the information requested is the residual, and not initial duration.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How should undertakings deal with assets that have no fixed maturity date (common practice throughout Europe is to use the first call date)? • Clarification is required as to whether the modified duration is used as accounting or economic sensitivity measure , for example, what would be the sensitivity of a zero coupon bond in a "Hold to Maturity" category. For a callable bond an effective duration would be more appropriate. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1- cell A22	We query of this cell refers to the number of assets, the number of investment funds or the nominal value of bonds?	
Assets-D1- cell A23	<p>This comment applies to Assets – D1-cells A23, A26 and A30.</p> <p>We assume that these cells must be completed using the quotation currency (A13), there will be multiple currencies in this column and as a result it would not reconcile to the Balance Sheet (BS-C1). Approximations should be allowed when using a marked-to-model approach.</p>	
Assets-D1- cell A24	In some cases the required data may be labelled differently, for example “marked to market” and “marked to model”.	
Assets-D1- cell A25	<p>The demand for reporting of acquisition costs of assets is not in line with the principles of market consistency, which is a cornerstone of Solvency II. Where a market consistent valuation has been used for years, the information is in general not kept in the data systems of insurance undertakings. Reassessing the acquisition cost of assets will be very costly, and we do not see the added value to supervisors.</p> <p>In most cases acquisition costs are not automatically available and not material, they would only be relevant for tangible assets for example, property, plant or equipment. They are often hidden or indirect costs for example, in the form of bid-offer spreads at the time of acquisition.</p> <p>We propose instead to rename this column and apply the following conditions:</p> <ul style="list-style-type: none"> • For bonds, report the amortised cost (including amortisation) as defined by IAS 39; • For other titles, report the purchase price net of potential impairments. <p>There is also an issue for unit linked assets, if there is not a unit cost detail on the investment reporting system then there is no book cost.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>It should be noted that this data will be based on acquisitions of the previous year. It is not possible to have a view of all products over time.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> At Group level, in case of an acquired insurance company, should this cost be the original cost paid by the subsidiary or the fair value of the bond at the moment of acquisition by the Group? We would expect the last one. 	
Assets-D1- cell A26	<p>The total Solvency II amount is defined as including accrued interest for bonds and other interest bearing securities. This differs from the IFRS valuation where accrued interest would be included as part of prepayments/accrued income in other assets, rather than as part of the investment valuation.</p> <p>As Assets-D1 is then supposed to link back to the Solvency II balance sheet (BS-C1) for investment values, this implies that the values in the BS-C1 cells A8 and A8A, should also include accrued interest. Clarification on this point would be beneficial.</p>	
Assets-D1- cell A28	<p>A maturity date will only apply to bonds and other assets with a defined maturity, we therefore query what should be considered as the maturity date for callable bonds and perpetual callable bonds i.e. the call date or the final maturity date? If there is no fixed maturity date should this cell be left blank?</p>	
Assets-D1- cell A30	<p>Please refer to Assets – D1 – A26 for comments on the total Solvency II amount.</p>	
Assets-D1Q- General	<p>Please refer to Assets – D1 – General.</p> <p>For comments on each of the individual cells in this templates, please refer to the corresponding cell in Assets – D1 and BS-C1.</p>	
Assets-D1Q- Purpose	<p>Please refer to Assets – D1 – Purpose.</p> <p>For comments on the use of ISIN codes, please refer to Assets – D1 – cell A4.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1Q- Benefits	Please refer to Assets – D1 – Benefits.	
Assets-D1Q- Costs	Please refer to Assets – D1 – Costs.	
Assets-D1Q- Groups	Please refer to Assets – D1 – Groups.	
Assets-D1Q- Materiality	<p>We support EIOPA’s proposal to introduce a materiality threshold for a possible exemption of quarterly reporting. However we query how the threshold will be calculated for example, coverage of undertakings representing (at EU level), at least 90% of the total value of investments? Does this mean that only undertakings which have more than 90% assets compared to the insurance group at EU level, should report fully Assets D1Q quarterly?</p> <p>The exemption for quarterly reporting of this template is not indicated in the Technical Annex of CP9b and we would ask that EIOPA clarify this point.</p>	
Assets-D1Q- Disclosure		
Assets-D1Q- Frequency	<p>Please refer to cell Assets – D1Q – Materiality.</p> <p>EIOPA indicated that this template should be compiled on a quarterly basis. We would suggest that transitional measures be applied for this template and the extent of quarterly reporting be relaxed during the first year following entry into force. Collecting the necessary data for completion of this template will be difficult within the timescales as required in the draft Level 2 measures, particularly upon first time reporting. For some securities (investment funds, participations), the information requested can only be provided or updated once a year.</p> <p>We support the direction that EIOPA has taken in terms of simplifying the templates for quarterly reporting however we note that the granularity of this template is the same as the annual template. The criteria for reporting the full list of portfolios and the summary is not clear.</p> <p>In particular we do not see link between the risk section of this template and Pillar 1 requirements that would require reporting this information on a quarterly basis. That</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

	section, at least, should be removed.	
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)		
Assets-D1Q- cell A12 (list)		
Assets-D1Q- cell A13 (list)		
Assets-D1Q- cell A14 (list)		
Assets-D1Q- cell A15 (list)		
Assets-D1Q- cell A16 (list)		
Assets-D1Q- cell A17 (list)		
Assets-D1Q- cell A18 (list)		
Assets-D1Q- cell A20 (list)		
Assets-D1Q- cell A22 (list)		
Assets-D1Q- cell A24 (list)		
Assets-D1Q- cell A25 (list)		
Assets-D1Q- cell A28 (list)		
Assets-D1Q- cell A30 (list)		
Assets-D1Q- cell A3		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1Q- cell A5		
Assets-D1Q- cell A6		
Assets-D1Q- cell A7		
Assets-D1Q- cell A7A		
Assets-D1Q- cell A8		
Assets-D1Q- cell A8A		
Assets-D1Q- cell A8C		
Assets-D1Q- cell A8D		
Assets-D1Q- cell A9A		
Assets-D1Q- cell A9B		
Assets-D1Q- cell A9C		
Assets-D1Q- cell A9D		
Assets-D1Q- cell A9E		
Assets-D1Q- cell A9F		
Assets-D1Q- cell A10A		
Assets-D1Q- cell A10B		
Assets-D1Q- cell A14		
Assets-D1Q- cell A11		
Assets-D1Q- cell A12		
Assets-D1Q- cell A13		
Assets-D1Q- cell A27		
Assets-D1Q- cell L16		
Assets-D1S- General	<p>For general comments, please refer to cell Assets – D1 – General.</p> <p>EIOPA propose to treat all structured products in the same way, despite the fact that the degrees of risk attached to structured products vary according to the type of product.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>The level of information required for this template is not easily obtainable for the majority of undertakings. The following items in particular are not commonly collected and stored:</p> <ul style="list-style-type: none"> • Underlying index/security/portfolio (A6) • Risk factors (A7) • Loss given default (A12) • Attachment point (A13) • Detachment point (A14) <p>In order to report these items, information would need to be collected and stored from custodians and investment managers with potentially significant additional costs incurred in the process.</p> <p>More examples and guidance on definitions would be helpful on this template in order to more fully assess the proposals. For example, it is not clear what the structured product category is comprised of.</p>	
Assets-D1S- Purpose	<p>Please refer to Assets – D1 – Purpose.</p> <p>For comments on the use of CIC codes, please refer to Assets-D1 – General and cell A15.</p>	
Assets-D1S- Benefits	Please refer to Assets – D1-Benefits.	
Assets-D1S- Costs	Please refer to Assets – D1 – Costs.	
Assets-D1S- Groups	Please refer to Assets- D1 – Groups.	
Assets-D1S- Materiality	The materiality threshold of 5% should be treated in a flexible manner in order to avoid a significant burden to undertakings.	
Assets-D1S- Disclosure	Please refer to Assets – D1 – Disclosure.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D1S- Frequency	<p>Please refer to Assets – D1 – Frequency.</p> <p>Please refer to Assets – D1S – General for comments regarding limitations on collection of data on structured products.</p>	
Assets-D1S- cell A1	A closed list of structured products is welcomed, these should be accompanied by definitions to ensure the information can be entered accurately into the undertakings IT systems.	
Assets-D1S- cell A2		
Assets-D1S- cell A3	<p>We are uncertain as to what is required from this cell. Collateral for CDS (held on a general OTC derivatives collateralisation platform and marked to market on daily basis) is something very different from the collateral bonds of a synthetic CDO.</p> <p>This information is likely to be part of the original prospectus but it is not clear how often this is disclosed. This could cause problems for undertakings that are expected to report this information on a quarterly basis.</p>	
Assets-D1S- cell A4	<p>We are still uncertain that all collateral types are defined in the CIC table.</p> <p>In many cases, there are more than one type of collateral arrangement for such financial instruments (portfolio of collaterals). In such cases, no clear amount for one specific instrument can be generated.</p>	
Assets-D1S- cell A5	<p>Please refer to Assets-D1S-cell A4 for comments on collateral for financial instruments.</p> <p>This information should be available from the issuing prospectus but it may be problematic to provide a continuous update of this data, particularly in the case when some parts of structured debt can be redeemed at different times.</p> <p>In general, any application of a look-through approach may cause problems for the reporting undertaking. The data will likely be held across multiple sources and a</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	specific database would be required to consolidate the necessary information. Manual reporting would be required if the process cannot be automated.	
Assets-D1S- cell A6	<p>There are very significant difficulties in providing such information. In some cases the data cannot be reported, in the best case, free text could be provided. A free text box implies a high degree of manual effort which would mean this template could not be easily automated.</p> <p>In such cases, it was suggested to separate qualitative from quantitative data and greater insight/oversight may be obtained from understanding/explaining the risk management systems in place as part of the system of governance, rather than providing a detailed instrument by instrument analysis.</p>	
Assets-D1S- cell A7	There is no closed list for this cell and as such, interpretation will be subjective.	
Assets-D1S- cell A8		
Assets-D1S- cell A9		
Assets-D1S- cell A10	We understand that this requirement relates to data for structured products with fixed rates. However there will be problems for undertakings if the rate is partially fixed and partially variable. The information may be difficult to report if the index is very complex.	
Assets-D1S- cell A12		
Assets-D1S- cell A13		
Assets-D1S- cell A14	A closed list of structured products is welcomed, these should be accompanied by definitions to ensure the information can be entered accurately into the undertakings IT systems.	
Assets-D1S- cell A15		
Assets – D20- General	<p>For general comments, please refer to Assets – D1 – General.</p> <p>The detail required for both historic and open derivative contracts is onerous and may</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>prove very costly. The functions under the system of governance will be in a position to monitor very risky positions on investment asset holdings and therefore capturing closed trade data but this will be of little use for the day-to-day running of the undertaking. This data is purely for reporting purposes and we do not believe it fits with the rest of these templates. This requires reporting of transactional data while other templates focus on snapshots at a single point in time.</p> <p>This template will require a huge amount of work consolidating information from different databases. A generous adaptation period would be welcomed.</p> <p>We query whether unit-linked funds should be treated as ring-fenced? The LOG states, "Each derivative must be reported once in relation to each portfolio and / or each ring-fenced or other internal fund. So consequently a given derivative that is part of the investments of life and non-life business and /or several funds (e.g. several U-L) will result in one line for life, one for non-life and as many lines as the funds where the derivative is present".</p>	
Assets – D20- Purpose	Please refer to Assets – D1 – Purpose.	
Assets – D20- Benefits	Please refer to Assets – D1 – Benefits.	
Assets – D20- Costs	Please refer to Assets – D1 – Costs.	
Assets – D20- Groups	Please refer to Assets – D1 – Groups.	
Assets – D20- Materiality	<p>We support EIOPA’s proposal to introduce a materiality threshold for reporting of this template.</p> <p>We believe that this template should only be reported if the total notional amount (A15) exceeds a certain percentage of total investments.</p>	
Assets – D20- Disclosure	Please refer to Assets – D1 – Disclosure.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets – D20- Frequency	<p>Please refer to Assets – D20 – Materiality.</p> <p>It could be difficult to assess, on a quarterly basis, a threshold based on notional amounts, for example when the underlying data is more volatile than the total market value. We suggest that quarterly reporting only be required when an undertaking changes its hedging strategy/structure or if the total notional amount exceeds a certain percentage of total assets.</p> <p>At the very least, cell A14 should not be subject to quarterly reporting, to determine “delta” would require stochastic calculations.</p> <p>As a general comment, if exemptions are set at a European level based on percentage coverage, undertakings on the fringes of the materiality boundaries would face uncertainty over their reporting obligations. During certain years they may have to report more and in other years, perhaps less. Exemption criteria which do not fluctuate should be developed to allow these smaller undertakings to more effectively plan for the necessary IT investments.</p>	
Assets – D20 – Quarterly Exemption	Please refer to Assets – D20 – Frequency.	
Assets-D20- cell A1	Please refer to Assets-D1-cell A1.	
Assets-D20- cell A2	Please refer to Assets-D1-cell A2.	
Assets-D20- cell A3	<p>Please refer to Assets-D1-cell A3.</p> <p>We find it unclear to what level of look through is required for this template, for example, if derivatives included in investment funds should be reported. If so, it would require an enhanced reporting at a very detailed level from the Fund manager for example, the maturity date of every single derivative included in the investment fund. This would result in more detailed reporting than outlined in Assets –D4.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D20- cell A4		
Assets-D20- cell A5		
Assets-D20- cell A6	<p>For OTC derivatives, a standard code list should include only major institutions in the OTC derivatives market. A code "other" could be used for other derivatives counterparties, or undertakings could enter their own registration in a free-format.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> Who would be responsible for establishing and maintaining these codes? 	
Assets-D20- cell A7	See Assets-D1S- cell A10.	
Assets-D20- cell A8	Please refer to Assets – D20 – cell A6 for comments on OTC derivatives.	
Assets-D20- cell A9	Requested information can be derived/ calculated with appropriate effort in some cases. In other cases, depending on the type of instrument, there could be many underlying contracts. We query if all underlying contracts be entered into this cell?	
Assets-D20- cell A10	<p>There is no explanation provided for derivatives with more than one currency for example, FX forwards, FX options, cross currency swaps.</p> <p>For example, how should the currency be reported in currency derivatives when there is a currency derivative between USD and JPY and the portfolio currency is EUR?</p>	
Assets-D20- cell A11	<p>The CIC table should also include fields for mortality risk in combination with derivatives (categories A-F).</p> <p>Please also refer to Assets-D1- General and cell A15.</p>	
Assets-D20- cell A13	<p>To assess whether a derivative is used for qualitative or strategic purposes, would not be captured in the investment reporting system. This cell would therefore require management judgment/assessment.</p> <p>Instead of referring to assets, it would be better to refer to "financial instruments or</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	forecasted transaction”, in order to include all the hedging activities put in place by an undertaking. In general, We query the supervisory purpose of reporting information on hedging relationships as these are mostly relevant for P&L accounting purposes.	
Assets-D20- cell A14	<p>This data requirement is complex and will be costly to report, particularly on a quarterly basis. The valuation of complex derivatives will require stochastic modelling.</p> <p>It is anticipated that this reporting requirement will be very costly.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • This cell is not relevant e.g. for interest rate swaps. Delta is a measure of rate of change in the option. There are different ways to perform the calculation depending of the type of option. • This is only applicable when used as a hedge. • It would be logical to follow only the single most important sensitivity parameter for derivatives. 	
Assets-D20- cell A15	<p>The term “notional amount” is not familiar. The question arises as to what would be the notional amount if there were several trades during the reporting period.</p> <p>For example: 01/02: 10 Mio; 01/13: 25 Mio; 01/15: 7 Mio; 01/20: 0</p> <p>The value under coverage not only depends on the derivatives that are held at any point in time, but also on the value of the assets held at any point in time.</p> <p>For example: 01/02: 10 Mio; 01/13: 25 Mio; 01/15: 7 Mio; 01/20: 0</p>	
Assets-D20- cell A16	<p>The data is available for futures, options and swaps. However the definition for “swaps” may need to be revised.</p> <p>An alternative approach could be as follows: Payer swap = short; receiver swap = long.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D20- cell A17	In general, we believe this template mixes regimes. For example, we do not see the basis for cell A17 in the Solvency II regime as it is a cost based measures. The most important information on derivatives data relates to the value and sensitivity of these instruments, information to be reported should therefore focus on these issues.	
Assets-D20- cell A19	<p>The number of contracts has a different meaning for OTC and exchange traded derivatives, the latter having a defined contract size. In case of non-OTC derivatives it should be made clear how to count the number of contracts.</p> <p>More guidance is necessary in order to allow for appropriate derivation of this information.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • At what level should the number on the contract be reported? Per derivatives or accounted for the underlying contract? • What would be the number of contracts if there were several trades during the reporting year? 	
Assets-D20- cell A20		
Assets-D20- cell A21	The information in this column will vary depending on the nature of the derivative. Some derivatives for example, ladder options, can have more than one trigger.	
Assets-D20- cell A22	<p>We query how to deal with variable rates, should the value be taken at the reporting date?</p> <p>For swaps: offered (variable); interest rate (only for interest rate swaps), the data should be available.</p>	
Assets-D20- cell A23	For swaps: gained (fixed); interest rate (only for interest rate swaps), the data should be available.	
Assets-D20- cell A24	Data should be available for the currency of the variable component of a swap (only	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	for currency swaps).	
Assets-D20- cell A25	Data should be available for the currency of the variable component of a swap (only for currency swaps).	
Assets-D20- cell A26	Requested information can be derived/ calculated but practical problems exist. For example, how to deal with rolled options or futures. We query how to report this cell in the case there are several trades during the reporting period.	
Assets-D20- cell A27		
Assets-D20- cell A28	Further guidance is required to provide more detailed comments. The values of the derivatives will depend on the model used. If the undertaking does not use IFRS it is unclear how this would be dealt with using local GAAP.	
Assets-D20- cell A29		
Assets-D20- cell A31	We would expect that "novation" be included as an option in the closed list. More guidance would be helpful on this point.	
Assets-D20- cell A32		
Assets-D20- cell A33		
Assets-D20- cell A34		
Assets-D20- cell A35		
Assets-D2T- General	<p>Please refer to Assets – D1 – General and Assets – D20-General.</p> <p>For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.</p> <p>We do not see that transaction data adds any value if the receiver does not have a portfolio system where this could be monitored i.e. the supervisor.</p>	
Assets-D2T- Purpose	Please refer to Assets – D1 – Purpose and Assets – D20 – Purpose.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Supervisors will not be able to conduct an analysis between hedging transactions and the actual risk in any point of time with this information.</p> <p>Since derivatives are not only used for hedging purposes, but also to increase return, the purpose becomes somewhat inaccurate.</p>	
Assets-D2T- Benefits	Please refer to Assets – D1 – Benefits and Assets – D20-Benefits.	
Assets-D2T- Costs	<p>Please refer to Assets – D1 – Costs and Assets – D20-Costs.</p> <p>We believe that this template should be deleted as it will be very costly to implement and the supervisory purpose is not clear.</p>	
Assets-D2T- Groups	Please refer to Assets – D1 – Groups and Assets – D20-Groups.	
Assets-D2T- Materiality	Please refer to Assets – D1 – Materiality and Assets – D20-Materiality.	
Assets-D2T- Disclosure	Please refer to Assets – D1 – Disclosure.	
Assets-D2T- Frequency	Please refer to Assets – D1 – Frequency and Assets – D20-Frequency.	
Assets – D2T- Quarterly Exemption	Please refer to Assets – D20 – Frequency and Quarterly Exemption.	
Assets-D2T- cell A1	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A2	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A3	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A4	For comments relating to the specific cells in this template, please refer to Assets –	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A5	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A6	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A7	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A8	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A9	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A10	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A11	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A13	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1. Please also refer to Assets-D20-cell A13.	
Assets-D2T- cell A14	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1. Delta is defined as the rate of change of option value, with respect to changes in the underlying asset price. This historical information does not seem to have relevance for	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	current and future risk exposure of an undertaking.	
Assets-D2T- cell A15	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A16	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A17	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1. Historical payments received or paid, for options and up-front and periodical amounts, paid / received, for swaps since inception do not seem to have relevance for current and future risk exposure of an undertaking.	
Assets-D2T- cell A18	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A19	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A20	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A21	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A22	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A23	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D2T- cell A24	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A25	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A26	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A27	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A28	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A30		
Assets-D2T- cell A31	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A32	For comments relating to the specific cells in this template, please refer to Assets – D20 and any corresponding reference back to Assets – D1.	
Assets-D2T- cell A34		
Assets-D2T- cell A35		
Assets – D3- General	<p>Please refer to Assets – D1 – General.</p> <p>The template cannot reflect the fact that, especially for non-life undertakings, assets tend to be higher during the year (as the insurers receive premiums in January, earn interest on premiums and pay out claims again until December). This leads to relatively high interest payments that are compared to relatively low assets at the beginning and end of the year.</p> <p>To get meaningful figures investment, reports must be compared to a benchmark.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>As currently drafted, the template will only show that the profitability was good during the last year if markets were good (generally: lowering interest rates and spreads, rising equity prices) and bad if markets were bad. This will be difficult for undertakings to implement.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How to calculate "gains and losses". • This information is already reported in the annual report on a level more suitable for the industry. Double reporting should be avoided. 	
Assets – D3- Purpose	<p>Please refer to Assets – D1 – Purpose.</p> <p>The investment performance cannot be measured in absolute terms. The templates only provide the means to compare investment returns to the asset portfolio at the start and end of the year.</p> <p>The content of this template will allow for some general judgements on liquidity risk. We do not believe that this template fulfils the purpose with regards to ALM.</p> <p>A meaningful ALM analysis cannot rely on the cash flows of the past but has to take into account projected cash flows of the future. This cannot be done with this template.</p> <p>All information in this template is about the last period and is already reflected in the balance sheet. We don't see how the information in this template can help supervisors.</p> <p>Investment systems calculate performance in original currencies. A conversion to reporting currencies where consideration is taken to currency hedges requires massive system changes.</p>	
Assets – D3- Benefits	Please refer to Assets – D1 – Benefits.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets – D3- Costs	<p>Please refer to Assets – D1 – Costs.</p> <p>To complete this template, undertakings would have to introduce an additional accounting area, as this is the only way to compute realised and unrealised gains compared to the SII value at the start of the period.</p>	
Assets – D3- Groups	Please refer to Assets – D1 – Groups.	
Assets – D3- Materiality	Please refer to Assets – D1 – Materiality.	
Assets – D3- Disclosure	Please refer to Assets – D1 – Disclosure.	
Assets – D3- Frequency	Please refer to Assets – D1 – Frequency.	
Assets-D3- cell A1	Please refer to Assets-D1- cell A1 regarding consistency towards the definition of “portfolio”.	
Assets-D3- cell A3	Please refer to Assets-D1- cell A3 regarding assets held in unit-linked funds.	
Assets-D3- cell A4	Please refer to Assets-D1- cell A15 regarding the CIC table.	
Assets-D3- cell A6	<p>Investment performance for the year can only be properly evaluated by assessing all cash flows and accruals. It is our understanding that accruals are not included here. We also find that the definitions are not in line with IFRS.</p> <p>It would be helpful to clarify the purpose of reporting this information, we query if it is the intention to align Solvency II reporting with the profit and loss account?</p> <p>We note that the term “paid” has been replaced with the term “received”. It is not clear if that is more an editorial change or if it means that instead of a cash flow view (as it is suggested by the term “paid”), the template captures another view, for example a periodical view like in IFRS profit and loss accounting). The final LOG should be clearer in this point.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D3- cell A7	<p>Please refer to Assets–D3 to A6.</p> <p>To assess the profitability of an investment it would be better to use the accrued interests and rents instead of using the cash basis approach (interests and rents received). This comment applies to cells Assets–D3–cells A7 to A8.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How should zero coupon bonds be dealt with? 	
Assets-D3- cell A8		
Assets-D3- cell A15	<p>“Net gains and losses” are now defined as the difference between the selling value and Solvency II value, at the end of the prior reporting period. Or, in case of investments acquired during the period, the cost value for assets sold during the year. In our view such a definition makes no sense as in the total period overall, the net gains and losses do not show the performance of the underlying assets. Marked to market result would be more adequate to use from a supervisory perspective.</p> <p>There is inconsistency between “cash basis approach” used for dividends, interests and rents and “earned approach” used for realised gains (where only the part of realised gains relative to observed period should be considered). In our view, the definition in previous version of this template was more appropriate - beside the realised gains of the period, also unrealised gains/losses of the period were considered.</p> <p>Other elements of this template represent actual cash flows (not accruals); to merge realised and unrealised gains is going against the purpose of this template. We also note that the definitions are not in line with IFRS.</p>	
Assets – D4- General	<p>Please refer to Assets – D1 – General.</p> <p>The requirement to report information on funds on a look through basis is extremely difficult and costly for companies. In certain cases, it may not be</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

possible to implement as it is by no means certain that the fund management industry will agree to provide such information, especially in the case of non-EEA managers. This is a bigger problem than we initially anticipated, particularly if the fund is held/partially held outside the EEA.

It may prove very difficult to obtain information from external service providers, for example fund managers, to perform the investment funds look through.

Representatives from this industry, the Third Party Administrators (TPAs), acknowledge this issue and identify the many third parties that exist within the data chain. To collate this kind of information may take weeks and sometimes months. Within the deadlines anticipated by EIOPA, this will be a huge challenge.

Rating agencies and data decimators will charge additional fees for information to be passed on to third parties (supervisors) therefore the cost to the industry will be large. The fact this is not linked to overall compliance with Solvency II is concerning.

For Alternative Investment Funds, it is not always possible to perform a look through with regards to the duration, normally it is only the duration of the fund that is registered.

Look-through information at the level requested is not available for open and private equity funds. This means that the classification of assets within investment funds as requested for the listing of separate securities, participations etc. is not possible. The information needs to be provided by external service providers which currently cannot provide the necessary level of granularity.

In many cases, the funds held by undertakings are immaterial therefore there is little need for undertakings to seek the level of data requested in this template. 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.

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

We recommend that proportionality be applied accordingly 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.

Moreover, this template should not be applicable to assets backing unit linked products. This will represent a very significant additional burden. Indeed, this information for unit-linked is not needed for Pillar 1 calculations as investment risks are, in a large number of cases, borne by the policyholder. Thus requiring this information only for reporting purposes appears excessive.

Some level of approximation/estimation may have to be accepted where detailed information proves difficult/unduly costly to obtain. The use of benchmarks and information notices should be permitted.

Undertakings have expressed a varied range of serious and material concerns related to this template:

- Lack of appropriate instructions: it has been stressed that EIOPA’s LOG file does not include sufficient background on the look-through process and, in general, information included in this template. More clarity is demanded.
- There’s a shared sense of necessity about a materiality threshold in this template. Work in order to clarify the underlying asset composition of a fund holding a very small portion of insurer investments are considered not worth the effort.
- Some of the information has to be called from third parties (funds managers): serious concerns raised on the possibility of being able to comply with expected reporting calendars, which puts in doubt the utility of information for supervisors (they will be revising a reality that probably do not represent the situation in the moment of their revision).

More certainty is required with regards to definitions, for example “significant”, “very significant” etc.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets – D4- Purpose	<p>Please refer to Assets – D1 – Purpose.</p> <p>A split by main geographical zones is not current practice today. If a look-through principle is to be used, it will be difficult or impossible to collect all information, since the information on geographical affiliation is not known in all cases.</p>	
Assets – D4- Benefits	Please refer to Assets – D1 – Benefits.	
Assets – D4- Costs	<p>Please refer to Assets – D1 – Costs.</p> <p>The look-through approach demanded will result in significant additional costs, mainly due to external providers' charges for providing such information.</p>	
Assets – D4- Groups	Please refer to Assets – D1 – Groups.	
Assets – D4- Materiality	<p>Please refer to Assets – D1 – Materiality.</p> <p>We propose that a materiality threshold be applied to look-through so that only the biggest investment funds should be reported, for example, funds which cover X% (to be determined) of investments in investment funds.</p> <p>We also propose a materiality threshold for the portfolio list, e.g. X% (to be determined), i.e. so that all assets which account for less than X% of total assets should not be reported on a look-through basis.</p>	
Assets – D4- Disclosure	Please refer to Assets – D1 – Disclosure.	
Assets – D4- Frequency	Many funds of funds and collective investment schemes provide information on their underlying investments annually and with a significant lag after the period end. This means it will be difficult to provide timely, accurate and reliable information in this template. Also, the data must be sourced from investment providers; if they report only on bi-annual/quarterly basis then the undertaking would have to incur additional	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>costs.</p> <p>In the case that the undertaking holds immaterial sums in such funds, we believe that the materiality exemption should also apply annually.</p>	
Assets - D4 - Quarterly Exemption	<p>To receive information from investment funds managers will be a challenge, especially on a quarterly basis. There will be a lot of manual work involved with large risk of human error. Timing is also an issue and we do not believe that the requested information will be available within the normal reporting deadlines. This view is shared by the TPAs.</p> <p>An exemption should be introduced for investment funds backing unit-linked products.</p>	
Assets-D4- cell A1	Please refer to Asses-D1- cell A4.	
Assets-D4- cell A2	<p>Please refer to Assets-D1- cell A5.</p> <p>The definition "other internal funds" and "assets that are not freely disposable" should be clearer. We query whether the latter applies to assets in unit linked funds?</p>	
Assets-D4- cell A3	<p>Please refer to Assets - D1 - A2.</p> <p>The underlying asset category will be very difficult to retrieve for some private equity funds. A possible solution would be to extend the CIC table to allow for a category for private equity.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Is there a threshold for the category to be included in the analysis? • Most investment funds (UCITS) have a primary asset class/type and a geographical region. If an investment fund has several classes/types of assets, should it be reported in separate rows? This would be very burdensome and we would support that a fund takes up only one line of the template. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets-D4- cell A4	<p>Please refer to Assets-D1- cell A15 regarding the CIC table.</p> <p>Underlying asset category will be impossible to retrieve for some private equity funds.</p>	
Assets-D4- cell A5	Please refer to Assets – D4 – Purpose for comments on split by geographical zone.	
Assets-D4- cell A6		
Assets-D4- cell A7	<p>We query whether the “total invested amount in the asset category” relates to par value or fair value? The amount originally invested or the fair value? Or the actual fair value of the investment according to the reporting date?</p> <p>The value of some investment funds is estimated using the Revaluated Net Asset Value.</p>	
Assets-D4- cell A8	The LOG definitions for “Standard”, “Mandate” and “Other” is still not fully clear. Further clarification will be necessary in order to assess the level of look-through applied and the overall cost/impact to industry.	
Assets – D5- General	<p>Please refer to Assets – D1 – General.</p> <p>Stock lending activities are fully indemnified, as a result, we believe the data being requested here is considered excessive. In particular, all stock is lent in return for stock of equal value, as well as commission. In some cases, gilt-edged stock is exchanged for other gilts.</p> <p>It is often the case that stock lending programmes are managed by custodians, with transactions occurring daily, the amount of data potentially required would therefore be very excessive in comparison to potential low risk activities.</p> <p>The LOG states, “There should be one line by security lending or repo operation”, we question what this means and how it is to be applied in practice. In the case of stock lending, it would be possible to collapse some entries into one line, but not in the case of repos.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets – D5- Purpose	Please refer to Assets – D1 – Purpose.	
Assets – D5- Benefits	Please refer to Assets – D1 – Benefits.	
Assets – D5- Costs	Please refer to Assets – D1 – Costs. The reporting of all assets detained during the period is complex and costly to implement. The reporting should be limited to assets detained at the date of reporting.	
Assets – D5- Groups	Please refer to Assets – D1 – Groups.	
Assets – D5- Materiality	Please refer to Assets – D1 – Materiality.	
Assets – D5- Disclosure	Please refer to Assets – D1 – Disclosure.	
Assets – D5- Frequency	Please refer to Assets – D1 – Frequency. The repos and the securities lending operations do not represent a counterparty risk at the 1st level. The purpose of their monitoring is to assess a risk at the secondary level i.e. the probability of default of both the counterparty and the underlying asset. We do not believe it is relevant to ask for this data on systematic basis but this could be requested ad hoc.	
Assets-D5- cell A1	Please refer to Assets-D1- cell A1. Some funds, such as annuity funds, may have a portion of free assets that cannot be likened to a specific underlying asset. We query how different portfolios within one fund should be treated.	
Assets-D5- cell A2	Please refer to comments on Assets – D1- cell A2. The definition “other internal funds” and “assets that are not freely disposable” should	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	be clearer. We query whether the latter applies to assets in unit linked funds?	
Assets-D5- cell A3	Please refer to Assets – D1- cell A3.	
Assets-D5- cell A4	Please refer to Assets – D1- cell A15 regarding the CIC table.	
Assets-D5- cell A5		
Assets-D5- cell A6		
Assets-D5- cell A7	Please refer to Assets – D20- cell A6.	
Assets-D5- cell A8	We are still uncertain that all collateral types are defined in the CIC table. Collateral can consist of several types of assets at one time; furthermore, they can change over time. This cell will be difficult to complete for lending operations already closed.	
Assets-D5- cell A9	We query what would be the “near leg amount” for lending operations for example, when lending stocks, would it be market value of stocks at the start date or the number of stocks? If this refers to the number of stocks then where would the volume of the lending transaction be captured?	
Assets-D5- cell A10	Please refer to Assets-D5- cell A9. The far leg amount for lending operations is unknown so a percentage cannot be calculated. Further clarification from EIOPA on the LOG definition would be helpful.	
Assets-D5- cell A11		
Assets-D5- cell A12		
Assets-D5- cell A13	We find that the market value at maturity date is an unfamiliar term.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Further clarification required:</p> <ul style="list-style-type: none"> • Most stock lending is on an open call basis, what if there is no agreed date? • What would EIOPA categorise as a closed agreement? 	
Assets-D5- cell A14	<p>The title of this cell should be amended; the value generated by a lending operation is not the Solvency II value.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • The definition of "operation" and "contract" is unclear. 	
Assets – D6- General	<p>Please refer to Assets – D1 – General.</p> <p>The proposed requirements are too onerous for assets held as a collateral where all financial risks are borne by the lender (reinsurer for instance). The template seems to be designed for securities held as collateral, however LOG makes clear that also properties are in scope. Most information that has to be disclosed in Assets – D6 is not available for properties.</p> <p>The relevant information in this template is on the value of the collateral, and its nature (for instance to ensure that it is not the reinsurers own shares held as a collateral). We do not believe that the use of cash as collateral is properly addressed in this template.</p> <p>For these reasons, we propose to keep only the following cells:</p> <ul style="list-style-type: none"> • A2 to A5 • A12 (but only the first category of the CIC, i.e. the third position) • A19 and A20 • A26 to A28 	
Assets – D6- Purpose	Please refer to Assets – D1 – Purpose.	
Assets – D6- Benefits	Please refer to Assets – D1 – Benefits.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Assets – D6- Costs	Please refer to Assets – D1 – Costs. If multiple sources are required in order to gather this information, it could result in additional costs surrounding indentifying the source, gathering the information and storing the information.	
Assets – D6- Groups	Please refer to Assets – D1 – Groups.	
Assets – D6- Materiality	Please refer to Assets – D1 – Materiality.	
Assets – D6- Disclosure	Please refer to Assets – D1 – Disclosure.	
Assets – D6- Frequency	Please refer to Assets – D1 – Frequency.	
Assets-D6- cell A2	We propose to keep this cell in favour of deleting others. Please refer to Assets-D1- cell A4.	
Assets-D6- cell A3	We propose to keep this cell in favour of deleting others. Please refer to Assets-D1- cell A5.	
Assets-D6- cell A4	We propose to keep this cell in favour of deleting others. Please refer to Assets-D1- cell A7.	
Assets-D6- cell A5	We propose to keep this cell in favour of deleting others. Please refer to D1- cell A8.	
Assets-D6- cell A6	We propose to delete this cell.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	We query what issuer name should be used if the asset was derived from a non-financial sector?	
Assets-D6- cell A7	We propose to delete this cell. Please refer to Assets-D1- cell A10.	
Assets-D6- cell A8	We propose to delete this cell. Please refer to Assets-D1- cell A11.	
Assets-D6- cell A9	We propose to delete this cell. Please refer to Assets-D1- cell A12.	
Assets-D6- cell A10	We propose to delete this cell. Please refer to Assets – cell A13.	
Assets-D6- cell A12	We propose to keep this cell in favour of deleting others. Please refer to Assets D1- cell A15.	
Assets-D6- cell A19	We propose to keep this cell in favour of deleting others. Please refer to Assets D1- cell A22.	
Assets-D6- cell A20	We propose to keep this cell in favour of deleting others. Please refer to Assets D1- cell A23.	
Assets-D6- cell A21	We propose to delete this cell.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	Please refer to Assets D1- cell A24.	
Assets-D6- cell A22	We propose to delete this cell. Please refer to Assets D1- cell A26.	
Assets-D6- cell A24	We propose to delete this cell. Please refer to Assets D1- cell A28.	
Assets-D6- cell A25	We propose to delete this cell. Please refer to Assets D1- cell A30.	
Assets-D6- cell A26	We propose to keep this cell in favour of deleting others. The definition of "type of assets" should be clarified.	
Assets-D6- cell A27	We propose to keep this cell in favour of deleting others.	
Assets-D6- cell A28	We propose to keep this cell in favour of deleting others.	
TP-F1 & F1Q- General	We would like to reiterate CEA's key concerns with the technical provisions templates, detailed comments can be found in the corresponding cells: <ul style="list-style-type: none"> • The split within the segments, between contracts with options and guarantees and without, is not consistent with Level 2, or templates Cover-A1A and Cover-A1Q. Additional splits within the LOB segmentation will be very burdensome for undertakings to achieve. • The Gross Best Estimate split per country, where the risk is located, will not be applicable for certain LOB, for example life reinsurance. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> It should not be required to split the Risk Margin by LOB, any split should be determined by the undertaking itself. Again, this is not a requirement of the draft Level 2 text and undertakings should be able to present this at their discretion, for example at entity level. <p>Clarification is required on whether workers compensation is a life LOB. For further details on this point, please refer to TP – E1 – General.</p> <p>This template is complicated as it consists of many different values. Detailed guidance will be necessary on the reported values and their classifications.</p>	
TP-F1 & F1Q-Purpose		
TP-F1 & F1Q-Benefits		
TP-F1 & F1Q-Costs	<p>The man hours required for implementation of these templates could amount to approximately 500 to 600 days; there are several reporting systems that would have to be extended and data systems/warehouses to store the information. On an ongoing basis, this could take approximately 50 to 100 days per year to maintain.</p> <p>In order to fully judge the cost of completing these templates guidance relating to the use of roll-forward technical provisions figures should be determined. This should be resolved as soon as possible.</p>	
TP-F1 & F1Q-Groups		
TP-F1 & F1Q-Materiality	<p>We appreciate EIOPA’s proposal to add a materiality threshold for reporting the gross best estimate for different countries (countries representing up to 90% of certain LOBs) however we find that the proposed templates are not consistent for life and non-life. The LOG states that for TP – E1 & E1Q, the materiality threshold of 90% applies to direct business and the respective LOB. Whereas the equivalent reporting requirement in TP – F1 & F1Q, the threshold applies only to the respective LOB. This inconsistency should be corrected.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-F1 & F1Q-Disclosure	We support EIOPA's proposal that the simplified template F1Q is used for public disclosure but query whether the quarterly templates themselves will be disclosed or an annual version of the quarterly template. Please refer to the general comments section for our response on Q4 reporting.	
TP-F1 & F1Q-Frequency	<p>The CEA appreciates that template F1Q is a simplified version of F1. This will help in the requirement to report the information quarterly. The use of approximations should still be accepted in quarterly reporting. We propose that a roll forward approach be used.</p> <p>We question why the risk margin should be required on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or perhaps use an approximation based on last annual risk margin, for instance, keeping the same risk margin/BE ratio.</p>	
TP-F1- cells A1 – A14	<p>This comment applies to TP – F1 cells A1 – A14.</p> <p>It should be clarified in the definition whether this value should be gross or net of reinsurance. If it is gross of reinsurance then it is unclear how the reinsurance element is included for derivation of net provisions, we therefore assume it is net of reinsurance.</p>	
TP-F1- cell A7A		
TP-F1- cell A7B		
TP-F1- cell A7C		
TP-F1- cells B1 – B14	<p>This comment applies to TP – F1 – cells B1 – B1F.</p> <p>We question the benefit of splitting between “cash out” and “cash in” flows. We recognise that there is a need to perform this split in the modelling of the reserves; however it is unclear why these splits should be reported in the proposed template.</p> <p>BELs are evaluated using stochastic projections. It is unclear whether cash flows</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the best estimate liabilities, due to differences in averaging.

A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient. Cash inflows and outflows could be required in special cases of supervision.

It should be sufficient to report the gross best estimate total instead of per "cash in-flow" and "cash out-flow" for businesses modelled using simplifications.

Further clarification required:

- If the undertaking pays policyholder taxes, should this be included in claims?
- The exact definition of "guaranteed benefits" for participating business is still unclear; it would be particularly difficult to separately evaluate the profit participation based on modelled returns over minimum guaranteed returns.
- Clarification on "other cash flows" is necessary.
- A clear definition of options and guarantees in health insurance contracts is needed. For example, are deferred benefits or the possibility to change the insurer options?
- More guidance regarding the definition of cash flows (e.g. discretionary benefits, costs, gross or net positions) are needed.

TP-F1- cells B2 – C2

TP-F1- cells B4-C1

TP-F1- cells BA1 – BA13

TP-F1- cell BB1

TP-F1- cell BB10

TP-F1- cell BB13

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-F1- cells BC1 – BC13	We question the usefulness of split in lines BC-BF and question why the future cash flows in template TP – F2 are not sufficient.	
TP-F1- cells BD1 – BD13	Please refer to TP – F1 – cells BC1 – BC13.	
TP-F1- cells BF1 – BF13	Please refer to TP – F1 – cells – BC1 – BC13.	
TP-F1- cells CB1 – CB14A	We question the value of including information “before the adjustment for expected losses due to counterparty default”. This information is included in the Reinsurance templates therefore we would request that undertakings report the figure after adjustments are made.	
TP-F1- cells CC1 – CC14	Please refer to TP-F1- cells CB1 – CB14A.	
TP-F1- cells CD1 – CD14A	Please refer to TP-F1- cells CB1 – CB14A.	
TP-F1- cells C1 – C14A	Please refer to TP-F1- cells CB1 – CB14A.	
TP-F1- cells CB9A – C9A		
TP-F1- cells E1 – E13	The allocation of the risk margin per LOB would be meaningless for reporting purposes, we propose to report at entity level only. If the risk margin should be allocated by LOB it will be using proxies (e.g. during the QIS 5 exercise undertakings allocated their risk margin proportionally to the Best Estimate). To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin.	
TP-F1- cells FB7A		
TP-F1- cells FB7B		
TP-F1- cells FB7C		
TP-F1- cells IA1 – IA 13	The previous template had an additional row for the surrender value; this has been removed however our previous comment still stands as it also applies to “technical	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>provisions of products with a surrender option”.</p> <p>Reporting separately on products with surrender options would require significant effort in amending systems and processes to report the data requested. The template specifies “technical provisions of products with a surrender option”, this insinuates that the risk margin be split at product level in order to report on this requirement.</p> <p>A surrender value floor should not be applied to the valuation of technical provisions. We believe that a statement of the proportion of contracts with surrender options in relation to the technical provision would provide more meaningful information.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Does the definition of “surrender option” apply only to contracts where a non-zero surrender value is available? 	
TP-F1- cells J1 – JL13	<p>We would ask that this requirement be removed or, at the least, a consistent threshold should be applied as with other templates, please refer to TP – F1 – General for comments on consistency with TP – E1.</p> <p>Analysing the gross best estimate based on localisation of risk will be incredibly difficult to split out, in the same way technical provisions data is not available by counterparty.</p> <p>The business split according to countries where the risk is located is not applicable for some LOBs, for example Life Reinsurance. Due to the fact that worldwide coverage is provided, and that sometimes risks located in different countries are reinsured under one treaty, local loss events (Tsunami in Thailand or catastrophe of the funicular in Kaprun) affect risks located in different countries, and treaties underwritten in different countries. For these LOB, the proposed split is neither feasible nor useful.</p> <p>It should be clearly stated that the risk location should be the country where the contract was underwritten for reinsurance undertakings, this would refer to the country of the cedent. This would also provide consistency with the LOG definition provided for the equivalent cells in TP-E1.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-F1- cells M1-M13	The format of these cells does not appear to allow for the description of more than one simplified method, while the percentages included in O1-O12 would include the impacts of additional areas where simplified methods are used. There is the potential for misinterpretation of the results.	
TP-F1- cells N1-N13		
TP-F1- cells O1-O13		
TP-F1- cells P1-P13	<p>The LOG definition for this row now refers to "total amount of surrenders", it previously referred to TPs calculated by LOB.</p> <p>Clarification is required on what reporting period is anticipated and if both surrenders and transfers should be included in the amount. We also query if the total amount of surrenders refer to actual surrenders or surrenders from the modelling of BE?</p>	
TP-F1- cells Q1-Q13	We appreciate that discussions on the risk-free-rate are ongoing and we will be happy to discuss this point further with EIOPA upon finalisation of the Level 2 proposals.	
TP-F1Q- cells A1-A13		
TP-F1Q- cell A7A		
TP-F1Q- cell A7B		
TP-F1Q- cell A7C		
TP-F1Q- cells B1-B13		
TP-F1Q- cells C1-C14A		
TP-F1Q- cell C11		
TP-F1Q- cell C12		
TP-F1Q- cell C13		
TP-F1Q- cell C14A		
TP-F1Q- cell E1-E13	We would propose to merge all cells related to the risk margin. To split these, for reporting purposes only, will be unduly burdensome.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – F2- General	<p>We would like to reiterate our comment that detailed data on “in and out” cash flows cannot be reported for contracts modelled without using cash-flows projections.</p> <p>It must be stressed that this template obliges undertakings to run complex calculations therefore a generous adaptation period would be welcomed.</p> <p>This template raises some concerns for non-life undertakings that would have to report information on Health SLT and annuities in this template. It is normal in non-life undertakings to estimate total reserve levels. The approach used in this template would overhaul that general principle and would require drastic changes to methods currently used.</p> <p>We believe that this template, along with the cash-inflows and out-flows in TP – F1, amounts to quite burdensome reporting. It should be possible to reduce the level of detail in TP – F1 or only report this template if the supervisor determines that a closer level of supervision is required, for example if an undertaking breaches certain limits.</p>	
TP – F2- Purpose	Please refer to TP-F2-General.	
TP – F2- Benefits		
TP – F2- Costs	<p>We query whether undertakings would be forced to annualise projections if they were currently done on a monthly basis. IT systems would have to be redesigned if is the case.</p> <p>Changing to cash flow based approach will be costly and require considerable amounts of resources, therefore the proposed requirements should be applied in a proportionate manner.</p>	
TP – F2- Groups		
TP – F2- Materiality	The principle of materiality should be applied to this template. It is disproportionate to ask for all cash flows and this should be restricted to material cash flows only. If certain segments are to be reported in detail, there should be a threshold decided	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	between the undertaking and the supervisor.	
TP – F2- Disclosure	We support EIOPA’s decision not to disclose information on cash flows. This is commercially sensitive information.	
TP – F2- Frequency		
TP – F2- cells A1-A34		
TP – F2- cells C1 – C35		
TP -F2- cells D1-D35		
TP -F2- cells F1-F35		
TP -F2- cells AU1 –AU35		
TP -F2- cells CU1 – CU35		
TP -F2- cells DU1 – DU35		
TP -F2- cells FU1 – FU35		
TP -F2- cells I1 –I35		
TP -F2- cells J1 –J35		
TP -F2- cells K1 –K35		
TP -F2- cells L1 –L35		
TP -F2- cells M1 –M35		
TP -F2- cells N1 –N35		
TP -F2- cells O1 –O35		
TP -F2- cells P1-P35		
TP -F2- cells Q1 –Q35		
TP -F2- cells R1 –R35		
TP -F2- cells S1 –S35		
TP -F2- cells T1 –T35	We assume that recoverables from intra-group retrocession are included in this column.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP -F2- cells U1 – U35		
TP -F2- cells CH1 –CH35		
TP -F2- cells DH1 –DH35		
TP -F2- cells FH1 –FH35		
TP -F2- cells V1 –V35		
TP -F2- cells X1 – X35		
TP -F2- cells Y1-Y35		
TP -F2- cells Z1- Z35		
TP -F2- cells GH1 –GH35		
TP – F3- General	<p>The template requires data to be synchronised between “technical provisions” (actuarial) and “claims paid and premiums received” (accounting). The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. The definition of “product denomination” will result in a huge number of rows in this table.</p> <p>Systematic reporting should only be required for annualised guaranteed rate and the “Identification and classification” section (green) for supervisory purposes. For ad-hoc reporting only some columns should be required as set out below. Other areas should be reported on a qualitative basis (table, surrender rates, financial replication).</p> <p>The summary document gives the impression that HRG’s are regrouping products yet the excel template appears to indicate that it is more detailed than products. We would urge EIOPA not to follow a level of granularity that is not aligned to the way that undertakings manage their risks.</p> <p>Calculations of BE at HRG level would be onerous and expensive (in term of timing and setting-up systems).</p> <p>If we correctly understand, a single product will have different lines when it has different characteristics according to following fields (guarantees with different risks, different commercialisation dates, etc). It should be noted that the same product</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

could be part of several HRGs. For example, products with different guaranteed rates during the life of a single contract, we assume that we can regroup contracts and calculate an average guaranteed rate.

This template contains too much information to be collected and reported annually.

We believe this is an excessive level of detail about technical provisions. For assessing how model points are built, this information should not be requested systematically but either on an ad hoc basis or in coordination with an on-site inspection. For analysing the products sold. A simpler template could be developed consisting only of cells A1 – A8, A24 – A30 and potentially A15.

For ad-hoc reporting, where supervisors wish to check the model points/HRG of a particular undertaking, a reporting template could be based on the following:

- **green section (cells A1 – A8);**
- **Red section: A34A.**
- **The other information should be analysed on a more qualitative basis, and we should let the undertaking decide the format in which to answer to the questions of the supervisors, as part of the natural dialogue between the two. For instance, we query how the surrender rate could be reported when we using stochastic projections as this would depend on the scenario.**
- **Dialogue on how surrenders are modelled would be more useful for supervisors and this would involve a qualitative exchange between the supervisor and the undertaking.**

Further clarification required:

- It is not clear how many lines on the report are expected per product. Is it correct that selling the product in more than one country may lead to more lines? And applying combinations of premium types (for pension) would not lead to more lines?
- We query if templates TP-F3 to TP-F4 are applicable for health insurers? The

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	information required in this template does not correspond to the underwriting procedures of health insurance (health non-SLT).	
TP – F3- Purpose	Feedback from EIOPA indicated that the purpose of this template is to determine if model points/HRGs are well defined. This information is part of internal control systems and model validation. Supervisors will validate models and monitor internal controls of the undertaking therefore we do not believe that this template would add additional insights to fulfil the intended purpose.	
TP – F3- Benefits	We believe that the benefit to supervisors of requiring detailed systematic information on model points/HRGs, in comparison to the potential burden to industry, is excessive. A qualitative analysis of the products to be included in particular HRGs would be an alternative way of performing this assessment.	
TP – F3- Costs	Overall, the granularity in this template is significant and therefore will be very time consuming and expensive to create. Information on stock and movements (cells A9 to A15) in particular will be very costly to report and the information may not be available for example, the number of insured persons for group contracts. Please refer to TP-F3-General and Benefits for comments on Best Estimate calculated by HRG.	
TP – F3- Groups		
TP – F3- Materiality	A materiality clause should be introduced so that the template focuses on meaningful information.	
TP – F3- Disclosure		
TP – F3- Frequency		
TP-F3- cell A1	More guidance is required on “product denomination” and how granular the proposal	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>will be in practice. The more granular the denomination is the more demanding it will be to complete the template.</p> <p>In few cases, information was said to be available on a product basis but in the vast majority of cases, a split by product will be very difficult to achieve.</p> <p>Difficulties may arise when using “commercial name” as this can often be subject to change.</p> <p>The reporting of different guarantees with different risks and different commercialisation dates in single lines would, in some cases, result in more than 200 separate lines for single undertakings.</p> <p>The LOG comment specifies that annuities stemming from non-life contracts are excluded however the definition for cell A1 states that for non-life annuities, it should be specified which product it belongs to. This seems to be inconsistent.</p> <p>The LOB is not mentioned in the list of different characters. There are hybrid products where the policyholder can choose the yield to be guaranteed or unit linked.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • In some cases, policies include both with-profits and unit-linked technical provisions. How should these policies be handled? • We interpret that a product can be repeated on more than one row because there are variations of HRG and or types of premiums (A7) within one product denomination. Is this correct? 	
TP-F3- cell A2A		
TP-F3- cell A2B	<p>There is a partial definition of HRG in the draft Level 2 text (Article 28(2) and 29) but they apply only to life insurance and cases where grouping is made. Also, those definitions are in contradiction with the definition provided in the LOG for this cell.</p> <p>The definition of HRG must be fully detailed in at least the Level 2 text. It must be</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>checked that all the requirements connected to HRG's are workable.</p> <p>A clearer title could be "Number of HRG's in Product". We understand the current title to mean that HRG's are listed and numbered, and the number of that list is reported in this cell.</p>	
TP-F3- cell A2C	If the partial definition in the Level 2 text is used, the answer in this closed list would always be "No".	
TP-F3- cell A3		
TP-F3- cell A4	This cell may be relevant if the product is in run off. The judgement on risk is different if you know that the product will grow or decrease in the future.	
TP-F3- cell A5	<p>To assist the comparability between undertakings, a closed list of products should be developed.</p> <p>The "type of product" list should not be more extensive than the product categories set out in TP-F1.</p> <p>The closed list could include a value "other", in the case that undertakings report a large number of "other products", the supervisor could then consider extending the closed list.</p>	
TP-F3- cell A6	<p>Initial mapping work will be significant in order to assign policies to the new product classification IDs.</p> <p>In the LOG, the harmonised code still contains a position (2nd letter) to identify the risk driver of a product, whereas in TP-F1 the segmentation into risk driver has been removed.</p>	
TP-F3- cell A7	<p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification would be helpful on whether any combination from the list of R/S/NS/NF/O can be paid into one single policy, for example a pension policy? • "Regular but flexible premium" is very important class of premium paid but not 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	included in this list.	
TP-F3- cell A8	<p>Please refer to TP-F1 – cells J1 – JL13.</p> <p>It should be clarified that for reinsurers, “country” should refer to country of the cedent undertaking and not country of localisation of risk. Please refer to Cover-A1A and A1G – General.</p>	
TP-F3- cell A9	<p>Successful reporting of this information is dependent on all databases being kept completely up to date.</p> <p>We do not understand why the reference for contracts is taken from IFRS 4. For the cells A9, A10 and A15, the LOG states that only contracts classified as insurance contracts in IFRS 4 are included in this cell. We question what should be done with contracts classified as investment contracts, for example unit linked and if they are to be included in the template?</p> <p>In Solvency II framework there’s no distinction between insurance and investment contracts.</p> <p>We query whether this information is relevant for Reinsurance undertakings.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How should undertakings treat cluster contracts? 	
TP-F3- cell A10	<p>Please refer to TP-F3- cell A9 for comments on insurance contracts under IFRS.</p> <p>This cell currently implies that a new policy insuring a life already covered under an existing policy, would count as zero in this column. This would be logistically difficult for many companies.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • How should policies with periods of less than a year be included? 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-F3- cell A15	<p>Please refer to TP-F3- cell A9 for comments on insurance contracts under IFRS.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification would be helpful on whether single premiums are reported as the actual amount paid or as a percentage of premiums e.g. 10%? • The purpose of this cell is to assess movements in contract amounts and compare (reconcile?) with the evolution in technical provisions. Is this possible if no information is held on about transfers of contracts together with assets/provisions from other undertakings? 	
TP-F3- cell A21	<p>It will be very difficult to report Best Estimate calculations at HRG level. For instance, value of options and guarantees are calculated at a macro level (usually entity level) and an artificial allocation of this value to HRG would not make sense. If the idea is to understand the volume of the product, then other information, such as surrender value or capital at risk, should be used.</p> <p>Best Estimate information should be presented at entity level or at the most granular, fund level.</p> <p>Point 4 of the LOG for this cell leads to unspecified results of HRG's and Products: "If a line represents several HRGs which are common to other products (i.e. cell A2B > 1 and cell A2C = Y), then all lines concerned should be merged."</p>	
TP-F3- cell A24	<p>More guidance is required in order to assess the exact implications of this proposal. It may be difficult to calculate this at product denomination level.</p>	
TP-F3- cell A26	<p>Calculation of total surrender value for all in-force business would be very time-consuming. Best Estimate liabilities seem to already capture the value of these options; clarification would be helpful on why they are required to be reported separately.</p>	
TP-F3- cell A30	<p>This appears to be very specific to individual product types and/or territories and therefore not appropriate for all products/territories.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Further clarification required:</p> <ul style="list-style-type: none"> • Is this cell only applicable to annuity business or non-profit with guarantee? • This cell should not be applicable for unit linked or with profits business. 	
TP-F3- cell A34A	<p>There will often be many tables applied to sub-categories of an overall product denomination (e.g. one for each homogenous risk group. Also, this assumes that all policies within a product denomination are valued in the same way.</p> <p>The LOG refers to cell A20 however this cell no longer exists in this template.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Provide Best Estimate assumption – but should this only be provided where mortality rates have an impact on pricing and benefit i.e. not relevant for Unit Linked Savings? 	
TP-F3- cell A41	<p>We query whether there should there be an affirmative response only when the TP has been calculated by the replication method?</p>	
TP – F3A- General	<p>This proposed reporting template introduces higher reporting standards for undertakings selling variable annuities. In our view, there are already clear principles governing specific considerations on the basis of the risk and materiality of the undertaking’s activities.</p> <p>We express concern as to whether there is indeed a necessity to have specific recommendations for certain product types, given that Solvency II is a principles-based, risk-based system applied uniformly across product types. In our view, the individual characteristics of Variable Annuities (e.g. the use of hedging programmes, the situations in which stochastic modelling is required, etc) are unfounded and should not be part of systematic reporting requirements.</p>	
TP – F3A- Purpose	<p>Please refer to cell TP-F3A- General.</p>	
TP – F3A- Benefits	<p>Please refer to cell TP-F3A- General.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – F3A- Costs	Please refer to cell TP-F3A- General.	
TP – F3A- Groups		
TP – F3A- Materiality	Please refer to cell TP-F3A- General.	
TP – F3A- Disclosure		
TP – F3A- Frequency		
TP-F3A- cell A1		
TP-F3A- cell A2		
TP-F3A- cell A3		
TP-F3A- cell A4		
TP-F3A- cell A5		
TP-F3A- cell A6		
TP-F3A- cell A7		
TP-F3A- cell A8		
TP-F3A- cell A9		
TP-F3A- cell A10		
TP-F3A- cell A11		
TP-F3A- cell A12		
TP-F3A- cell A13		
TP-F3A- cell A14		
TP-F3A- cell A15		
TP-F3A- cell A16		
TP-F3B- cell A1		
TP-F3B- cell A2		
TP-F3B- cell A3		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-F3B- cell A4		
TP-F3B- cell A5		
TP-F3B- cell A6		
TP-F3B- cell A7		
TP-F3B- cell A8		
TP-F3B- cell A9		
TP-F3B- cell A10		
TP – F4- General	<p>Please refer to cell TP-F3A- General.</p> <p>We don't understand why, being a Life LOB, information for Annuities stemming from non-life are required for a template, appropriate for a non-life LOB.</p> <p>As for all technical provisions templates, we propose to remove any obligation to report by AY or UWY. This should be determined by the undertaking.</p> <p>Annuities stemming for non-life business are modelled and managed jointly, in the same manner, irrespective of whether they come from Motor TPL, general TPL or others. We suggest removing the requirement for a split by LOB. In addition, we do not agree with the proposed required that the best estimate be reported per LOB. At maximum, this should be reported at entity level.</p> <p>Reporting of historical data will be problematic, especially in the immediate years following entry into force. We propose to reduce the number of years in this template to 5 years as a standard requirement, with no requirement to report historical data during an initial transitional period.</p> <p>Claims Movements should be limited to direct business only. Reinsurers do not receive this level of claims information from their cedents. This would then be consistent with E6 (Loss Distribution Profile). We do not consider that this template would apply to many reinsurers.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>According to LOG the released annuity claims provisions (and annuity IBNR) do not fit to any column A0-A5.</p> <p>As with many templates in the technical provisions category, the LOB/currency mix could result in a large number of combinations for this template.</p>	
TP – F4- Purpose	Please refer to cell TP – F4- General.	
TP – F4- Benefits	Please refer to cell TP – F4- General.	
TP – F4- Costs	Please refer to cell TP – F4- General.	
TP – F4- Groups		
TP – F4- Materiality	<p>We appreciate EIOPA’s proposal to apply a materiality threshold to deal with a split by material currencies however we would propose to remove the requirement for a split by currency altogether.</p> <p>The LOB/currency mix could result in a large number of combinations for this template.</p>	
TP – F4- Disclosure		
TP – F4- Frequency		
TP-F4- cell A0		
TP-F4- cell A1	<p>Annuities are normally not paid on a health product and if they are paid, they cannot be separated easily from the other payments.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Do the annuity payments also include benefits such as waiver of premium? • The method of calculation should be specified. • Is this amount meant to be an average or total amount? • Should the description of this cell refer to `annuities and other payments paid` 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	during the reporting year’? <ul style="list-style-type: none"> Where should undertakings report annuity claims provisions released during year N? 	
TP-F4- cell A2	Further clarification required: <ul style="list-style-type: none"> Is it the case that Single Life, Joint First Death and last Survivor Annuities are required to be shown separately? How should survivorship annuities be included? 	
TP-F4- cell A3		
TP-F4- cell A4		
TP-F4- cell A5		
TP-F4- cell B1		
TP-F4- cell C1		
TP-F4- cell D1		
TP-F4- cell A6		
TP – E1 & E1Q- General	<p>Please refer to TP – F1 & F1Q – General.</p> <p>Further guidance is required on how to report workers compensation annuities, motor annuities and other accident annuities in these templates. For example some annuities will start as “claim reported as incurred” under “non-annuities” and then as the claims handling proceeds, it might be converted to “annuities”.</p> <p>In some countries, for example Belgium and Portugal, workers compensation is split between NL guarantees and SLT annuities. The same is true for MTPL and general liability insurance in Finland. There remains a question over where they should be reported i.e. TP – F1 – A6; TP – F1 – A10 or TP – E1 – C1, D1, H1. Clarification from EIOPA would be helpful in this respect.</p> <p>The split between gross and net total best estimate still remains in this template but has been removed in TP-F1 & F1Q. We question why these two templates are not consistent in this respect.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

It may be the case that segmentation into the HRG takes place before splitting into LOB; **in such cases there will be a problem in that the best estimate derived from one homogenous risk group may populate more than one LOB.**

The splitting of gross best estimate by country will be problematic, particularly for LOBs that are considered global (e.g. marine/aviation/transport business) and multi-territory policies.

As allocated loss adjustment expenses are calculated on a file by file basis, these are not available separated from outstanding loss reserves.

The need to split out intra-group reinsurance (either accepted or ceded) may cause some difficulties for undertakings where it is netted at present.

Further clarification should be given on whether the entries for "recoverables from reinsurance and SPV" require a segmentation or allocation of those items. For proportional reinsurance these two would coincide. But in case of non-proportional reinsurance recoverables, they would be segmented into the four segments for non-proportional reinsurance only (in the table columns marked with (13) – (16). Whereas in allocation, the choice of segment would be based on the segmentation of the underlying direct (or accepted) reinsurance obligation.

The preferred choice would be to use allocation instead of segmentation for the recoverables, because net Best Estimate by LOB are required for the calculation of the reserve risk for Non-life and Health underwriting risk modules. This basis for segmentation should be described in the LOG in order to achieve harmonised application.

TP – E1 & E1Q-Purpose

Please refer to TP-F1 & F1Q – Purpose.

TP – E1 & E1Q-Benefits

Please refer to cell TP-F1 & F1Q – Benefits.

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – E1 & E1Q-Costs	Please refer to cell TP – F1 & F1Q – Costs.	
TP – E1 & E1Q-Groups		
TP – E1 & E1Q-Materiality	Please refer to cell TP – F1 & F1Q – Materiality.	
TP – E1 & E1Q-Disclosure	Please refer to TP – F1 & F1Q – Disclosure.	
TP – E1 & E1Q-Frequency	<p>Please refer to cell TP – F1 & F1Q – Frequency.</p> <p>We question why the risk margin should be reported on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or we suggest using an approximation based on last annual risk margin. For example, keeping the same risk margin/BE ratio over the year.</p>	
TP-E1- cells A1-P1	<p>Clarification is required on whether this is calculated gross or net of reinsurance. If it is gross, then it is unclear how the reinsurance element is reported for derivation of net provisions.</p> <p>More clarification is required regarding Solvency II LOBs on “medical expenses insurance” and “income protection insurance”. Solvency II LOB classification is understood to be risk based. Does it mean as a result that medical expenses of, for example, MTPL are to be included in “medical expenses” in Solvency II LOB classification?</p> <p>Further guidance should be provided on how Workers’ Compensation should be reported in this template. In particular, whether EIOPA view this as a life or non-life LOB?</p>	
TP -E1- cells A2-L2	<p>This comment applies to cells A2 – Q22.</p> <p>Further clarification required:</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> We find it unclear how recoverables from reinsurance, SPV and finite reinsurance should be calculated for the best estimate premium provisions. 	
TP -E1- cells A3-L3		
TP -E1- cellss M4-P4		
TP -E1- cellss A5-P5	We question the value of including information "before the adjustment for expected losses due to counterparty default". This information is included in the reinsurance templates therefore we would request that undertakings report the figure after adjustments are made.	
TP -E1- cellss A6-L6		
TP -E1- cellss M7-P7		
TP -E1- cellss A9-P9		
TP -E1- cells A10-P10		
TP -E1- cells A11-P11		
TP -E1- cells A12-P12		
TP -E1- cells A14-L14	Please refer to TP -E1- cells A5-P5.	
TP -E1- cells A15-L15		
TP -E1- cells M16-P16		
TP -E1- cells A18-P18		
TP -E1- cells A19-P19		
TP -E1- cells A20-P20		
TP -E1- cells A21-P21		
TP -E1- cells A25-P25	<p>Risk margins for each LOB must reflect diversification benefits in order for the sum in Q22 to be correct. It is unclear from the template how this adjustment should be proportioned across each LOB.</p> <p>The risk margin should be calculated at entity level only; to split per LOB is an added complexity for the purpose of supervisory reporting only. Reporting the risk margin</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>per LOB will be complicated and will require a significant effort; this adds complexity for the purpose of supervisory reporting only.</p> <p>We acknowledge that the current L2 Measures could be understood that technical provisions should be calculated by LOB. However, we should keep in mind that if the risk margin should be allocated by LOB it will be using proxies that are not especially relevant (please see what happened during the QIS 5 exercise where undertakings allocated their risk margin proportionally to the Best Estimate). To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin.</p>	
TP -E1- cells A29-P29		
TP -E1- cells A30-P30		
TP -E1- cells A31-P31		
TP -E1- cells A32-P32		
TP -E1- cells A33-P33		
TP -E1- cells A34-P34	<p>BELs are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the BELs due to differences in averaging.</p> <p>A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. It should be sufficient to report the gross best estimate total instead of per 'cash in-flow' and 'cash out-flow' for businesses modelled using simplifications or without cash-flow projection. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient.</p> <p>We support that EIOPA has included "recoverables from salvages and subrogations" in "other cash-in flows". Data on "recoverables from salvage and subrogation" may not be readily available for all LOB and business units, as figures net of salvage and</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems. This is consistent with the approach in template TP – E2.</p> <p>We believe that the data may often be too scarce for statistical methods to be reliable.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We assume that this equals cash flows discounted to present value, for best estimate cash flows, and can be derived from or consistent with TP-E2 tab? • Also, the sum of items A33 to A37 should equal (A2 + A3)? • Supervisory guidance would be helpful in determining what exactly is required and how the templates and cells link together for data collection purposes. 	
TP -E1- cells A35-P35	<p>Costly changes would be required in the recovery process, pricing and related systems if it is required to separate the recourse and any recovery cash flows from the cash flows. Many undertaking perform pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well).</p>	
TP -E1- cells A36-P36	<p>Please refer to TP – E1 – cells A35 – P35.</p>	
TP -E1- cellss A37-P37	<p>Please refer to TP – E1 – cells A35 – P35.</p> <p>Data in this particular split/specification for the split of salvage and subrogation and other cash inflows within claims paid, RBNS and best estimate of claims provision is not presently used in the processes of calculating and assessing the technical provisions. It does not seem reasonable that the reserving processes should be changed for reporting purposes only. For business use, it would not be necessary to change the underlying actuarial models.</p>	
TP -E1- cellss A38-P38	<p>TP – F1 does not include a requirement to report on the use of simplified methods. We support the use of simplified methods and therefore propose to also include these rows in TP – F1.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP -E1- cellss A39-P39		
TP -E1- cellss A40-P40		
	<p>Analysing the gross best estimate based on localisation of risk will be incredibly difficult to split out, in the same way that data on technical provisions are not available by counterparty.</p> <p>In some instances, reserves are currently not calculated at geographical location of risk level therefore the specific geographical location of risk is not available for several lines of insurance and reinsurance business written, notably marine and transit. It was thought that risk mitigation and risk clash monitoring, included in the qualitative reporting requirements, would be of more value to the Supervisor.</p>	
TP -E1- cellss A41-L53		
TP-E1 Q- cells A1-R1		
TP-E1 Q- cells A2-R2		
TP-E1 Q- cells A3-R3		
TP-E1 Q- cells A5-R5		
TP-E1 Q- cells A6-R6		
TP-E1 Q- cells A10-R10		
TP – E2- General	<p>Please refer to cell TP – F2 – General for comments on cash flow projections.</p> <p>Undertakings do not have sufficient run-off data for the application of actuarial methods to estimate the future cash flows and as such, the proposed approach will be difficult to implement. In addition, it may be very complex to identify the cash flows of future premiums.</p> <p>This template could be restricted to cases when the supervisor believes that closer supervision is necessary, for example if an undertaking breaches some limits.</p>	
TP – E2- Purpose	Please refer to cell TP – F2 – Purpose.	
TP – E2- Benefits	Please refer to cell TP – F2 – Benefits.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – E2- Costs	<p>Please refer to cell TP – F2 – Costs.</p> <p>Changing to a cash flow based approach will incur considerable costs and resources for many undertakings where actuarial methods have worked sufficiently well to date.</p>	
TP – E2- Groups		
TP – E2- Materiality	Please refer to TP – F2 – Materiality.	
TP – E2- Disclosure	Please refer to TP – F2 – Disclosure.	
TP – E2- Frequency		
TP-E2- cells A1-A31		
TP-E2- cells B1-B31	A clear definition is required for future expenses and other cash outflows, for example the parts of overhead expenses that should be included. It is our opinion that future expenses should include those components that cannot be directly attributed to a particular claim.	
TP-E2- cells C1-C31		
TP-E2- cells D1-D31		
TP-E2- cells E1-E31		
TP-E2- cells F1-F31		
TP – E3- General	The CEA considers this template to be the most complicated with the highest potential for negative impact on the industry. While EIOPA has clarified that supervisors will have a national discretion in determining whether AY or UWY should be applied, we would like to enforce that it will be very costly for undertakings to change their business structures and this should not be for supervisory reporting only. It is unclear whether this discretion applies to all cases where EIOPA have considered a specific approach towards AY/UWY, we hope that it would be the case otherwise different approaches will be applied to different templates and the results will not be comparable.	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

We would like to emphasise the following points:

- The triangle of Best Estimate would be impossible to complete for the years before Solvency II implementation. We strongly suggest a transition phase, starting upon entry into force of Solvency II. If undertakings, on a best effort basis, would like to fill in even the years before Solvency II implementation, they should be allowed to do this. However, requesting that for all undertakings would be a significant cost compared to the benefit foreseen.
- Reinsurance recoveries are not usually calculated using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year.
- The calculation of gross and net results should be simplified. The transfer from gross to net cash flow triangles is not necessary from a risk management perspective. We recommend just collecting data on a gross basis or using a gross/net using a proxy, as appropriate. In our view it is not possible to derive statements from net triangles without having further actuarial information, which is only available in the business units.
- We propose to introduce clarification that claims triangles would not apply to health insurance business.

Claims provisioning is not an automated process:

- It is highly recommended that when calculating reserves, the actuary uses different techniques and, together with expert judgement, identifies the risk drivers for all parts of the portfolio in order to choose methods or combinations for each part of the HRG.
- An automated process, such as the use of claims triangles, is not always appropriate. A variety of considerations must be taken into account, particularly when dealing with cross LOB, sub-portfolio analysis, AY/UWY calculations and different deterministic /stochastic methods.
- The mechanical application of a triangulation method to data may in itself lead to distorted results. When triangulation methods are used, there are a number of issues that may invalidate the underlying assumption that the future claims development is likely to be in line with the past claims development. We would

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

- like to reiterate the point on valuing the judgement of the actuary.
- It should be noted that triangles would differ from one undertaking to another as they might have different actuarial methods to build them. Undertakings should be allowed to fill the triangles consistently with their own methodology for calculating technical provisions.

Reporting of historical data should not be required:

- The development year currently proposed for claims triangles is too high. 15 year history will result in a lot of effort and costs. According to IFRS, claims triangles are required up to 10 years only.
- The exact term of development year will be dependent on the specific LOB. 15 years for short-tail business is inappropriate. For example:
 - Motor insurance could be based on a development year of 3-4 yrs;
 - Property insurance could be based on a development year of 5-8 yrs.
- In some cases, triangles would be meaningless for example, surety ship.
- Information on currency, salvage and subrogation is not available, while the LOBs are different from current branch groups.
- Historical data, starting from the first time application of Solvency II, are required for claims paid and RBNS claims (i.e. the complete set must be filled in). The assumption is that this data is available in existing IT systems of undertakings. This is actually not the case. The data is available but not on the level of the LOB's. These LOB's are newly introduced with Solvency II and currently not used by many undertakings. Either the historical data should be presented for the entity as a whole or building up the layers per LOB progressively over the next years.
- Historical data should be collected from the date Solvency II starts.

Further clarification required:

- According to the draft Level 2 text "the provision for claims outstanding shall relate to claim events that have already occurred, regardless of whether the claims arising from these events have been reported or not". There is no requirement to separate reported claims from unreported claims in the calculation, and several commonly used estimation techniques do not make this distinction. Therefore it may be impossible for some undertakings to fill the

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>"claims outstanding" triangle.</p> <ul style="list-style-type: none"> • Further clarification should be given on whether the entries for "recoverables from reinsurance and SPV" require a segmentation or allocation of those items. For proportional reinsurance these two would coincide. But for non-proportional reinsurance, recoverables would be segmented into the 4 segments for non-proportional reinsurance only (in the table columns marked with (13) – (16)), whereas in allocation, the choice of segment would be based on the segmentation of the underlying direct (or accepted re)insurance obligation. • It is unclear if and how annuities should be included in this template. • We suggest dropping the salvage and subrogation triangle for paid claims. For RBNS claims, these are reserved taking salvage and subrogation into account when relevant, but no split of "gross reserve" and "salvage reserve" exists. 	
TP – E3- Purpose	Gross best estimate triangles include salvage and subrogation therefore it should not be required to produce separate templates on each.	
TP – E3- Benefits	<p>It is the intention for supervisors to use these triangles in a mechanical way however this is not the way in which undertakings use them at present. They are used in specific cases to, for example, analyse large claims or clean/adapt to derive RBNI reserves.</p> <p>We do not agree that supervisors need reinsurance recoveries in this format to assess if technical provisions are well calculated. Gross to net ratios could be used without using such granular information.</p>	
TP – E3- Costs	<p>The information requested for reinsurance or historical Best Estimates is not requested for non-life TP calculation. Historical data on Best Estimate could be used for USP, but not if using the standard formula parameters. This template, specifically because of information asked on reinsurance and historical Best Estimate, is very costly and would only be used for reporting purposes.</p> <p>Cost in terms of resources may be considerable in creating a 15 year set of triangles for first time reporting. Existing regulatory reporting is not fully consistent with the classes used in Solvency II and will require the recreation of each year's triangle using</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	the new risk class analysis. In the cases of earlier years this data may already have been archived, thus creating significant rework in arriving at a 15 year triangle.	
TP – E3- Groups		
TP – E3- Materiality	<p>LOB and currency combinations remain to be a major problem for industry. It was also suggested that a percentage of the total balance sheet could be used as an indicative materiality threshold.</p> <p>For general comments on LOB/currency combinations, please refer to template TP – E3 – cell 04.</p> <p>A threshold for certain currencies will not be needed as information has to be kept in each currency, because it is not yet clear which currencies have to be reported in a few years.</p>	
TP – E3- Disclosure		
TP – E3- Frequency		
TP-E3- cells A00	By requesting information per LOB and currency (A04) could result in a large number of combinations, therefore this template would be reported multiple times.	
TP-E3- cells A01	<p>It was indicated that not every method used will have a specific name. A number of different actuarial methods may be used or considered when calculating claim provisions for a given LOB.</p> <p>Is it to be assumed that more than one method can be listed? In such cases the list could run to several paragraphs as, for example, different methods could be used for different accident years. Tail factors may not be unique for all years.</p>	
TP-E3- cells A02	Please refer to E3- cell A01.	
TP-E3- cells A03: N		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-E3- cells A04	<p>In the case of international received reinsurance i.e. multinational /worldwide, programmes could incorporate up to 100 different currencies. Separate triangulation in different currencies is not currently reported and we believe this would be unduly burdensome. Particularly for received reinsurance, we question the benefit to supervisors of splitting triangles by currency. We suggest reporting for different currencies when X% (to be determined) of the technical provision are reached, then report for all other currencies under "other currencies"</p> <p>As a general comment on currency, we believe that economic currency and not settlement currency should be used here. This would be more appropriate for risk management purposes.</p>	
TP-E3- cells A1-A15-J0	<p>The LOG states gross claims paid should be gross of salvage/subrogation. Given that this data is not necessary to separate out for the calculation for the gross best estimate per the draft L2 text (it is just defined as being part of the gross best estimate), we would ask EIOPA to delete this requirement.</p> <p>Increase in number of accident / underwriting years and development years too onerous and we do not believe it is sensible.</p>	
TP-E3- cells A17-A31-J16	<p><u>Salvage and subrogation should be included in claims paid:</u></p> <ul style="list-style-type: none"> • Data on "recoverables from salvage and subrogation" may not be readily available for all LOB and business units, as figures net of salvage and subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems. • For NL analysis, it is generally of very little additional benefit to separately report/analyse salvage and subrogation. Instead claims paid are analysed net of salvage and subrogation. • Separate reporting of this item could be very costly indeed since IT-systems generally are not designed to keep, separate, track of these. • We propose to delete salvage and subrogation and include it under claims paid. • Some undertakings manage provisions net of salvage and subrogations etc. Hence the detailed triangle are not compatible with how the risks are managed 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-E3- cells A33-A47-J32	<p>Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.</p> <p>Also, reinsurance recoveries are not usually done using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only one line (corresponding here to one column) for their reinsurance triangles. Moreover, reinsurance triangles are not used to calculate best estimate.</p> <p>Due to the fact that development of reinsurance recoverables cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including recoverables development only in an overall basis.</p>	
TP-E3- cells P1-P15-J0	<p>For each of the claims provision triangles, the "year end" formula seems to be picking up the latest development year only. If each cell is collecting absolute data then the "year end" formula should be a total of all years (all cells in the triangle).</p> <p>It is our understanding that "best estimate claims provisions" triangle refers to figures including IBNR (including IBNER) and outstanding claims i.e. unpaid claims. This would require the undertaking to backfill this triangle using prior years reserve projections. The prior accident year's projection data are unlikely to be on a consistent basis (in terms of methodology) as that required under Solvency II. We would suggest excluding IBNR from this triangle.</p> <p>We would expect this information to be quite volatile, depending on the LOB and occurrence of large losses / catastrophes. We therefore question if it is reasonable to separate out large losses and additional claims.</p> <p>We ask to report undiscounted Best Estimate figures. This will ensure a better comparability between years (diagonals of the triangles) and a better comparability with the others triangles, without discounting.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	The reference to undiscounted best estimates, but with a total on a discounted basis is very confusing. We query if this is equal to the RBNS claims + IBNR? If not, why not use the discounted Best Estimate.	
TP-E3- cells P33-P47-J32	Due to the fact that development of reinsurance recoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including recoverables development only on an aggregate basis.	
TP-E3- cells AE1-AE15-J0	<p>We interpret claims outstanding "claims outstanding" as the individual claims outstanding numbers, recorded on the claims system, rather than the best estimate figure.</p> <p>We believe it is unclear whether this should be reduced by a standard actuarial exercise which effectively applies an increase or reduction to these estimates at a global rather than individual claim level.</p> <p>Increase in number of accident / underwriting years and development years too onerous and not sensible.</p>	
TP-E3- cells AE17-AE31-J0	Data regarding recoverables from salvage and subrogation may not be readily available for all LOB and business units due to figures net of salvage and subrogation being entered on to claims systems. To obtain this data would therefore require potentially extensive and expensive changes in processes and systems. We also questioned why salvage and subrogations would be split from gross payments.	
TP-E3- cells AE33-AE47-J0	<p>Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.</p> <p>Also, reinsurance recoveries are usually not calculated using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>one line (corresponding here to one column) for their reinsurance triangles.</p> <p>Due to the fact that development of reinsurance recoverables cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including recoverables development only in an overall basis.</p>	
TP-E3- cells IH1-IE15B		
TP – E4- General	<p>For general comments on LOB/currency combinations, please refer to cell TP – E3 – cells 00 and 04.</p> <p>This template is based on the assumption that one can distinguish open from closed claims, thus the usability of this report is highly dependent on the reserving process and systems in place; if a case reserve, with a standard reserve is used, then the number of claims and closed/open status are relevant. But if such a process is not used and/or not supported by the systems, the number of claims data will not be of good quality/available.</p> <p>In addition to this, there are LOBs, e.g. workers compensation or other personal lines (e.g. MTPL or general liability), where it is impossible to close a claim. It should not be required to split open, closed and reopened claims. The template implies a connection between each individual claim in the base system and the corresponding amount booked in the general ledger, for example cells P1-P11. This would be a reporting requirement for the first time.</p> <p>For reinsurance, the split of claims between those opened, settled and closed does not give any risk sensitive information but will require heavy IT-investments. This is valid for gross data and especially for net-data. Quite often it won't be possible to standardise the related processes especially in the case of Nat Cat.</p> <p>To complete this template is not feasible for assumed reinsurance business, there are a number of constraints which means the information is not available for reinsurance undertakings:</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

- Number of claims.
- Number of claims which are still open and the corresponding RBNS/IBNR.
- The number of claims ended without any payment.
- The IBNR of a reinsurance undertaking usually does not refer to a specific claim.

Guidance is required on open claims, the number of events, and definition of a claim. There is no industry standard on claim numbers for example, one accident might be regarded as one claim, two claims (fire with damage to building and personal property) or many claims (several injured persons in an accident). This ambiguity would make reporting less meaningful.

We query whether IBNR are calculated on a gross or net basis and also whether a clearer definition of RBNS will be made available. It is unclear to us whether the templates are applicable to the reinsurance business and whether they are applicable to undertakings dealing with both SLT and NSLT.

Further clarification would be helpful on EIOPA's motivation to require specific information on claims settled without payment. This information might be required to check that undertakings do not "adjust" their results however we believe that reporting re-opened claims should be sufficient. The information on claims settled without payment would be an onerous development for undertakings.

Undertakings should be free to choose whether they report by AY or UWY. For most direct insurers this will be AY but there may be instances where UWY is more appropriate. **This essentially is a business decision and reporting requirements should not impact on an undertaking's ability to choose the best way of monitoring their business.** Considerable effort would be required for each claim to be tracked to each policy risk period and then create an algorithm to re-allocate to the alternative period.

In some jurisdictions, the analysis for numbers of claims are carried out across accident years of numbers of claims closed and numbers of claims outstanding for each reporting category. To determine separately the numbers of new notifications,

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>numbers of "old" and "new" claims closed in the year and numbers of re-opened and closed claims in the year will be extremely onerous.</p> <p>For some undertakings, it will be difficult to obtain the net data, as well as the data pertaining to reopened claims in the year (gross). In such cases, undertakings are not able to show this information (RBNS claims with detail of claims opened at the beginning of the year, claims incurred during the year, claims reopened during the year) as it is not officially required in the Balance Sheet. In particular, it may be difficult to report the number of claims.</p>	
TP – E4- Purpose	<p>We express concern at the level of detail in this template and believe that EIOPA's purpose could be fulfilled through a simpler template. As these templates require information to be split by line of business and currency, fulfilling the proposed reporting requirements will be extremely onerous; there could be cases of 100+ LOB and currency combinations. We question the additional need to perform an analysis by currency.</p>	
TP – E4- Benefits		
TP – E4- Costs	<p>The template is based on the follow-up of individual claims. Such reporting would require that the claims provision is known for each claim. Completing the template would require either the use of case-by-case reserving or an allocation of the claims provisions to the different columns of the template.</p> <p>Several commonly used estimation techniques are based on aggregated data on homogeneous risk groups. There is no allocation of the resulting claims provision to the individual claims events. If such an allocation is made, the result of it would be questionable. Case-by-case is, on other hand, an approximation that can be used under certain conditions only. Therefore it may be impossible for several undertakings /LOBs to complete this template. The ex-post allocation of claims provisions at the beginning of the year to different columns based on the status of the claim at the end of the year (settled/not settled) is arbitrary, we believe the costs of reporting would heavily outweigh the possible benefits.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	The IT migration systems, in order to complete this template, will be problematic to implement and potentially very costly. We anticipate a problem with the reopened claims data due to the fact that many IT-solutions don't keep track of reopening of claims (only first opening and latest closing date are available). It is only in very rare situations that undertakings would look at reopened claims for the purposes of calculating technical provisions. Thus, the expected costs are likely to be much more significant than EIOPA believes.	
TP – E4- Groups		
TP – E4- Materiality	<p>Ceding undertakings usually don't communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should not be required to complete this template.</p> <p>We propose reporting for different currencies up until X% (to be determined) of the technical provisions are reached, then report for all other currencies under "other currencies".</p>	
TP – E4- Disclosure		
TP – E4- Frequency		
TP-E4- cells A1-A10	The actuarial systems of some undertakings do not have the number of claims in their main tables. This will cause problems in collecting this data.	
TP-E4- cells B1-B10		
TP-E4- cells C1-C10		
TP-E4- cells D1-D10		
TP-E4- cells E1-E10		
TP-E4- cells F1-F10		
TP-E4- cells G1-G10		
TP-E4- cells H1-H10	We question the proposal to report specific information on claims settled without payment. We understand that the intention is to ensure undertakings do not "adjust"	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>their results. We emphasise that for this purpose, the request to report re-opened claims is enough.</p> <p>The information on claims settled without payment would be an onerous development for undertakings. We suggest merging the information requested disregarding the fact that the claim was settled without payment. The decision tree in the LOG does not show any added value for requesting this information.</p>	
TP-E4- cells I1-I10		
TP-E4- cells J1-J10		
	<p>We assume that this cell also incorporates cell K11 and our response should be treated as such.</p> <p>The data "gross payments where the claim remains open at the end of the year", cannot be entered into these cells. Consequently, part-payments on current year claims are not reported anywhere in this template. Inclusion of this amount would allow this template to reconcile with the gross claims paid triangle in template TP – E3.</p> <p>Clarification is required on whether this comment refers to both triangles "gross claims paid for development year" (cells A1/A10/J0) and "gross claims outstanding for development year" (cells U1/U10/AF0)?</p>	
TP-E4- cells K1-K10		
TP-E4- cells L1-L10		
TP-E4- cells M1-M11		
TP-E4- cells N1-N11		
TP-E4- cells O1-O11		
TP-E4- cells P1-P10		
TP-E4- cells Q1-Q10		
TP-E4- cells R1-R10		
TP-E4- cells S1-S10		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP-E4- cells T1-T10		
TP – E6- General	<p>For general comments, please refer to cell TP – E4 – General.</p> <p>The data requested in this template is not readily available, for example some systems use average claims and do not have any well defined small reserve amount per claim. Finding the payment amount per claim (for smaller claims) upon implementation of Solvency II is expected to be difficult, as this information is generally only recorded for the larger losses. Also, in other systems, only claims above a certain threshold are stored individually from some reporting claim systems. If the claim size categories start below the threshold, there can be problems finding the exact numbers in the first categories.</p> <p>Some systems do not record case estimates, hence undertakings could only use the payments to assess the claim size. Whereas in other systems, all open claims have a case reserve associated, and it is possible to find the reported incurred claim cost (paid+case). This means that the definition of “claim cost per loss” can be different for various systems and countries.</p> <p>Since all the figures should be reported in reporting currency, the appropriate currency rates must be applied. Finding the exact time of transaction for all paid amounts will be difficult as the data may span across systems/countries therefore the amounts in reporting currency will be subject to some uncertainty.</p> <p>It would be useful to collect information on the claims distribution. According to the LOG “incurred” means the “sum of gross paid and gross outstanding amounts for each claim”. However, here arises the same problem as with TP-E4.</p> <p>We query how this information would be captured by an undertaking involved in a merger upon initial completion of the merger.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • It is not clear if the template deals with only risk insurance or also other classes of insurance? 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> Some definitions must be clarified for this template to make sense, for example should zero-claims be counted? What currency principles should be used? Should case estimates be added to the claim cost, and if so, from which countries/systems? 	
TP – E6- Purpose		
TP – E6- Benefits		
TP – E6- Costs	Please refer to cell TP-E3 – Costs.	
TP – E6- Groups		
TP – E6- Materiality	<p>Please refer to cell TP – E3 – Materiality.</p> <p>Ceding undertakings usually don't communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should not be required to complete this template.</p>	
TP – E6- Disclosure		
TP – E6- Frequency		
TP – E6- cells A1-A20	Clarification would be helpful on whether EIOPA expect a split per LOB by AY/UWY or of one approach will be applied to all LOBs in this template.	
TP – E6- cells B1-B20	Please refer to TP-E6 -cell A1.	
TP – E6- cells C1-C20	Clarification is required on whether the loss amounts disclosed relate to just the reporting period or the cumulative total for that year.	
TP – E6- cells D1-D20		
TP – E6- cells E1-E20		
TP – E6- cells F1-F20		
TP – E6- cells G1-G20		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – E6- cells H1-H20		
TP – E6- cells I1-I20		
TP – E6- cells J1-J20		
TP – E6- cells K1-K20		
TP – E6- cells L1-L20		
TP – E6- cells AE1-AE20		
TP – E6- cells AF1-AF20		
TP – E7A- General	<p>Assessment on homogeneity should be carried out by the actuarial function, we believe that this information could be requested on an ad hoc basis.</p> <p>Regarding Reinsurance data (templates E7, J1, J2 regarding reinsurance used as risk mitigation): The reporting burden in total is extensive and we question if all this data around the reinsurance programmes of the undertaking is necessary.</p> <p>Consideration should be given to narrative reporting requirements, this may be a more appropriate way of explaining the information requested in this template.</p> <p>We question if this template provides valuable information about the homogeneity of the portfolio:</p> <ul style="list-style-type: none"> • The peak risk will differ per LOB and is for some lines more relevant than for others. For most LOB's there will masses of contracts with the same peak risk. • In some reinsurance programs there are a large number of stop/loss contracts. As a result, for car insurance programs there is the same net risk per policy. Guidance on how to report this would be reported. • Any other individual risks not covered via regular reinsurance programs are covered facultative. 	
TP – E7A- Purpose	<p>We question why TP-E7A must be based on a net retention basis. EIOPA state that the purpose of the QRT is that "the information can be used in combination with current outgoing reinsurance programme (Re – J2) to evaluate the influence of a total loss in relation to the non-life insurer's solvency and liquidity position".</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	We propose instead that this template be based on a gross basis as it is to be used in line with RE-J2.	
TP – E7A- Benefits		
TP – E7A- Costs		
TP – E7A- Groups		
TP – E7A- Materiality		
TP – E7A- Disclosure		
TP – E7A- Frequency		
TP – E7A- cell A1		
TP – E7A- cell B1		
TP – E7A- cell C1		
TP – E7A- cell D1		
TP – E7A- cell E1		
TP – E7A- cell F1		
TP – E7A- cell G1		
TP – E7A- cell H1		
TP – E7A- cell I1	We question whether this cell is feasible for third party liability reinsurance (motor and general). In any case, more guidance is required on how to complete this cell.	
TP – E7A- cell J1		
TP – E7A- cell K1		
TP – E7A- cell L1		
TP – E7A- cell M1		
TP – E7B- General	The term “mass risk” could be inconsistent compared to the LOB that are compulsory for this template. Usually “mass risk” refers to LOB characterised by a huge number of contracts with low severity.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
TP – E7B- Purpose		
TP – E7B- Benefits		
TP – E7B- Costs		
TP – E7B- Groups		
TP – E7B- Materiality		
TP – E7B- Disclosure		
TP – E7B- Frequency		
TP – E7B- cell A01		
TP – E7B- cell A1		
TP – E7B- cell B1		
TP – E7B- cell C1		
TP – E7B- cell D1		
TP – E7B- cell E1		
Re-J1- General	<p>A significant amount of work would be required to identify the ten policies with biggest net share of risk capital across each LOB and, as some LOBs may be relatively small, it may not be proportionate to require the “top 10” by LOB. The net share could be the same for a number of the top ranked facultative covers which raises the question, how to treat the policies if, for example, there are more than 10 and also, how would they be ranked/chosen. We propose instead to report the 10 biggest risks across all LOBS or to specify a materiality threshold at business level.</p> <p>We query the supervisory purpose of requesting only LOBs with facultative risks, if the purpose is to evaluate the vulnerability of a single risk event, we propose to report the 10 (or 20) largest single risks, gross of reinsurance,</p>	

<p style="text-align: center;">Comments Template on Draft proposal for Quantitative Reporting Templates</p>		<p style="text-align: right;">Deadline 20 January 2012 12:00 CET</p>
	<p>and investigate whether or not the risk is partially covered with facultative reinsurance. Probable Maximum Loss could be used as an assessment indicator, only facultatives for specific LOB will always be on the list (where PML is required and/or with the highest self-retentions).</p> <p>It is said (General Comment) that this template “is prospective for the selected facultative covers that start in the coming year (active on 1/1 or after) and are known when filling the template. Re-J1 will be resubmitted at the end of the year (31/12)”. At present, similar information is reported to some supervisors in March of any given year (based on 31/12 year end), in respect of the top 10 facultative placements in force during the year before for each line of business.</p> <p>In this way the picture is always complete and there is no need to refresh it at a later stage. Given the fact that the facultative book is relatively stable over the time and also considering the purposes of the report, we recommend that this template should be submitted by 31 March (or any other date after) of any given year showing information about the facultative placements in force during the year before. The picture would be complete, accurate and up-to-date-without need to have it re-taken at the end of the year.</p> <p>The term Facultative generally means reinsurance for one single risk as opposed to treaty which is reinsurance of portfolio. Facultative reinsurance is also commonly used as a mechanism in industrial insurance in various risk sharing solutions. This template appears more applicable to ‘industrial insurance’ where there is a high level of facultative risks. For the risk management of other insurers, we believe it is more important to concentrate on risks which are not covered by a reinsurance undertaking.</p> <p>Systems and reporting tools would need to be developed to enable lean and high quality reporting of this template. The information requested in this template is often not held directly by undertakings. Overall we believe that this template would lead to burdensome calculations and data re-elaborations. A more simplified approach would be beneficial.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p><u>Further clarification required:</u></p> <ul style="list-style-type: none"> • It is not clear in the revised templates how to report reinsurance shared between reinsurers. Further guidance is required on whether separate lines should now be included for each reinsurer making up a single reinsurance item. • Risk capital (Life) is defined as insured capital less provision for insurance liabilities; it is not clear whether the insurance liabilities are based on Best Estimates or Best Estimates + Risk Margin or some other definition. Clarification would be helpful. • It is not clear how to treat reinsurance contracts not covering the full entity. • It needs to be made clear whether claims and reinsurance figures for all templates are on either i) a booked basis within the systems or ii) a best estimate or iii) best estimate plus risk margin. • Definition of FAC: Are Reverse Flow and Co-reinsurance programs with Limit/SI/EML for single client exceeding Treaty limit or totally outside treaty, to be regarded as facultative reinsurance and be included in this section? 	
Re-J1- Purpose	<p>We question to what extent the template will address its stated purpose i.e. providing insight into the risk profile of the undertaking on basis that risk is managed and mitigated in a more holistic way, looking at extracts of data in isolation may not adequately reflect this.</p> <p>The adequacy of overall capital needs could be better addressed through an undertaking's ORSA and other Pillar II processes.</p>	
Re-J1- Benefits		
Re-J1- Costs	While the required data is generally available (directly/indirectly), additional costs will be incurred in aligning internal systems with the required EIOPA codes.	
Re-J1- Groups		
Re-J1- Materiality	Most facultative purchases are concentrated within a few lines of business; this means there will be a number of LOBS which will only have one or two risks. Unless a materiality threshold is applied, the template would require reporting of very small	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	risks in respect of those LOBs for which few facultative covers are obtained.	
Re-J1- Disclosure		
Re-J1- Frequency		
Re-J1- cell A00	<p>Clarification is required on the LOB category to be used when reporting this template. The perspective will be different depending on whether the undertaking is a reinsurer or cedent.</p> <p>For example, the Reinsurer would look at a contract from the point of view of the reinsurer and classify the contract as "accepted reinsurance", however based on the viewpoint of the ceding undertaking; the reported LOB will be index-linked and unit-linked.</p> <p>This comment also applies to TP-E7A – cell D1, Re – J1 – cell A01 and Re – J2 – cell H1.</p>	
Re-J1- cell A1		
Re-J1- cell B1		
Re-J1- cell C1	<p>We believe that the LOG definition is unclear.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • What is the purpose of the unique code in C1 compared with the unique code in cell B1? • The text in the LOG suggests all items that have been in force at any point in the reporting period not just those in force for the full period, as described in the general comment for this template, should be included. Clarification would be helpful on this point. 	
Re-J1- cell D1	It is unclear whether these codes will be determined by the undertaking or EIOPA; clarification would be helpful on this matter.	
Re-J1- cell E1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J1- cell F1		
Re-J1- cell G1		
Re-J1- cell H1	We are concerned over the level of detail required in this template, in particular for facultative policies covering property portfolios. Would this be required at individual building level? If so, this would create some significant issues with regards to data privacy and commercially sensitive information.	
Re-J1- cell I1	<p>We query what should be included under "line of activity"? Further guidance should be given as to whether this is a sub-category of "line of business".</p> <p>The text in the LOG refers to "treaty" which is not relevant for facultative reinsurance, this should be corrected.</p> <p>Our understanding of the expression "entity specific" is that the undertaking would be free to use whatever description is used in its database to better qualify the risk. More guidelines on this issue would be appreciated.</p>	
Re-J1- cell J1		
Re-J1- cell K1		
Re-J1- cell L1		
Re-J1- cell M1	<p>We do not believe that reporting the whole sum insured would be helpful for describing risk. For example, multiple businesses in multiple cities.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We query whether the sum insured refers to each risk, for example location, or by an event? • Does sum insured include deductibles? 	
Re-J1- cell N1	<p>In some cases, facultative reinsurance covers more than one Solvency II LOB. In such cases, splitting SI or PML would not be straightforward.</p> <p>This template refers to PML, where "normal functioning of prevention measures" are assumed. In cases, undertakings underwrite their business using an evaluation</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>method (EML = estimated maximum loss), where such measures are not assumed. Having to report using PML would therefore not reflect the way the business is run, meaning significant changes to data just for the purpose of supervisory reporting. The principle of reporting information should be consistent with the way the business is run.</p> <p>Also, we do not find that the LOG is compatible with the way in which undertakings calculate EML. The essential difference is that undertakings do <u>not</u> take in to account all factors likely to lessen the extent of the loss. For example, when calculating a fire EML for property – in EML estimates, no allowance is made of active fire protection systems, such as sprinkler protection. Taking in to account all factors likely to lessen the extent of the loss would be more consistent with Normal Loss Expectancy (NLE) assessment.</p> <p>Although the terms EML and NLE may vary between undertakings, the disregard of active protection systems is a fundamental aspect of the EML assessment.</p> <p>We would ask that EIOPA clarify that the definitions used are consistent with accepted terminology.</p> <p>The LOG refers to the situation where a PML is not applicable to a LOB. We would ask that EIOPA provide details of the LOB to which PML (or EML) would not be applicable.</p>	
Re-J1- cell P1		
Re-J1- cell Q1	<p>Including additional fields such as this will increase costs.</p> <p>We query how the list of codes will be maintained and what contingency will be in place should a code not exist for a particular reinsurer.</p>	
Re-J1- cell W1	<p>Including additional fields such as this will increase costs.</p> <p>We query how the list of codes will be maintained and what contingency will be in place should a code not exist for a particular broker.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J1- cell Y1		
Re-J1- cell Z1		
Re-J1- cell AB1	<p>For "Facultative ceded Reinsurance Premium" and "Facultative Reinsurance Commission", we question the supervisory purpose for requesting this information as we do not believe it is relevant for evaluating the effectiveness of the reinsurance program.</p> <p>We propose to remove "reinsurance" from the definition in LOG document to make it clearer.</p>	
Re-J1- cell AC1		
Re-J1- cell A01	Clarification would be helpful as to whether the LOB is to be defined as the primary insurance LOBs. If this is not the case, supervisory guidance will be necessary.	
Re-J1- cell A11		
Re-J1- cell B11		
Re-J1- cell C11	<p>We believe that the LOG definition is unclear.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • What is the purpose of the unique code in C1 compared with the unique code in cell B1? • The text in the LOG suggests all items that have been in force at any point in the reporting period not just those in force for the full period, as described in the general comment for this template, should be included. Clarification would be helpful on this point. 	
Re-J1- cell D11		
Re-J1- cell E11		
Re-J1- cell F11		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J1- cell G11		
Re-J1- cell H11		
Re-J1- cell I11		
Re-J1- cell J11		
Re-J1- cell K11		
Re-J1- cell L11	As parts of the portfolio are assessed approximately by using specific assumptions, differentiation per LOB may be difficult.	
Re-J1- cell M11	Risk capital is defined as insured capital less provision for insurance liabilities; it is not clear whether the insurance liabilities are based on Best Estimates or Best Estimates + Risk Margin or some other definition. Clarification would be helpful.	
Re-J1- cell O11		
Re-J1- cell U11		
Re-J1- cell W11	There are no cells for U1 and V1 therefore we have provided comments in this cell: clarification would be helpful on what rating information EIOPA will provide for cells U1 and V1?	
Re-J1- cell X11		
Re-J1- cell Z11		
Re-J1- cell AA11	For "Facultative ceded Reinsurance Premium" and "Facultative Reinsurance Commission", we question the supervisory purpose for requesting this information as we do not believe it is relevant for evaluating the effectiveness of the reinsurance program. We propose to delete the word "reinsurance" from the LOG definition.	
Re - J2- General	Reinsurance solutions for the "next reporting year" are generally not finalised until very late and thus information about the next year neither exists nor is registered until very late in the year or early in the next year. For example, 2015 treaties cannot be reported fully in 2014. We question if EIOPA intend that reinsurance agreed, but not in	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

force, be reported in this template. Or since accurate data is not always available if estimations would be accepted.

This template requires information which cannot be processed in an automated way, information must be manually added. This template would lead to burdensome calculations and data re-elaborations. A simplified template would be highly welcomed.

We query whether risks/policies that are reinsured to captives or fronted to other insurance companies are considered as program or facultative placements.

The template implies that some of the terms of the treaty (such as limit, maximum cover, etc) will apply across all reinsurers; where this is not the case further advice/guidance is required on how the template should be completed.

A clear distinction is required between those covers which have already been signed and those which are only expected to be signed.

Reporting of all reinsurance transactions is extensive, especially for larger companies (up 1.500 pages).

Further clarification required:

- Should the "Treaty" or "Program" be reported? The title indicates that programs should be reported whereas in the individual cells, only the treaty is mentioned. We would prefer to report programs.
- The template implies that some of the terms of the treaty (such as limit, maximum cover, etc) will apply across all reinsurers, where this is not the case, further advice/guidance would be required on how to complete the template.
- It remains unclear whether information per year, risk or exposure is required. Moreover, more guidance and clear definitions are necessary in order to adequately fill the template.
- We query whether all ceded reinsurance is required in this template irrespective of the size of the portfolio/risk ceded?

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET																
Re – J2- Purpose	Clarification would be helpful as to whether this template is applicable to life business.																	
Re – J2- Benefits																		
Re – J2- Costs	<p>Significant additional costs will be incurred as a result of this template and the additional data required. For example: progressive sections; progressive number and quantity of surplus/layers in program; EIOPA codes and names of Reinsured, Reinsurer and Broker; Type of treaty; Catastrophic guarantees specifications.</p> <p>As previously mentioned, it will be required to manually input information into this template and this will have a cost impact.</p>																	
Re – J2- Groups																		
Re – J2- Materiality																		
Re – J2- Disclosure																		
Re – J2- Frequency	<p>It is envisaged by EIOPA that “in case of any changes introduced to the reinsurance structure, i.e. modifications to treaties in force including renewals, cancelled treaties or new treaties placed during the previous quarter, the template needs to be resubmitted quarterly as at the inception date of the quarter”.</p> <p>Some undertakings currently supply more or less the same treaty book data to supervisors however templates are supplied in March of any given year and re-submitted in October, in case of changes occurred during the first H/Y, and in March of the following year, in case of changes occurred during the second H/Y.</p> <p>This frequency would allow for complete reporting on a default annual basis:</p> <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Template_1</th> <th>Template_2</th> <th>Template_3</th> </tr> </thead> <tbody> <tr> <td>Year 2013</td> <td>31 March 2013</td> <td>31 October 2013</td> <td>31 March 2014</td> </tr> <tr> <td>Year 2014</td> <td>31 March 2014</td> <td>31 October 2014</td> <td>31 March 2015</td> </tr> <tr> <td>Year 2015</td> <td>31 March 2015</td> <td>31 October 2015</td> <td>31 March 2016</td> </tr> </tbody> </table>		Template_1	Template_2	Template_3	Year 2013	31 March 2013	31 October 2013	31 March 2014	Year 2014	31 March 2014	31 October 2014	31 March 2015	Year 2015	31 March 2015	31 October 2015	31 March 2016	
	Template_1	Template_2	Template_3															
Year 2013	31 March 2013	31 October 2013	31 March 2014															
Year 2014	31 March 2014	31 October 2014	31 March 2015															
Year 2015	31 March 2015	31 October 2015	31 March 2016															

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>Template_1 is the picture of the treaty book at 01.01</p> <p>Template_2 is the picture of the treaty book at 30.06</p> <p>Template_3 is the picture of the treaty book at 31.12</p>	
Re-J2- cell A1		
Re-J2- cell B1		
Re-J2- cell C1	EIOPA should provide an indication as to when the codes will be ready, undertakings will have to make the necessary amendments to their systems.	
Re-J2- cell D1	It is unclear whether a list of these will be provided by EIOPA or determined by the undertaking?	
Re-J2- cell E1		
Re-J2- cell F1		
Re-J2- cell G1		
Re-J2- cell H1	<p>Many of an undertaking's reinsurance contracts will cover multiple LOBs therefore an additional split per LOB will be very onerous.</p> <p>How should treaties that include several LOBs be reported? For example, event covers, usually incorporate FOP, MAT, MOC etc.</p>	
Re-J2- cell I1	The definition of this item is not clear. It has been assumed this is a subcategory of a LOB. However the example in the LOG "Property" implies otherwise.	
Re-J2- cell J1	<p>"Working XL" and "Catastrophe XL" are not specific terms. Stop Loss as a term is also used differently and is not specific. Definitions are needed to cover these types of treaties.</p> <p>Type of reinsurance treaty value list as defined here is different from the types defined on IGT3-J6. There should be one value list. The value list does not seem to be covering all possible types (missing: Financial reinsurance) and we would expect some specific types for Life reinsurance.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET																				
Re-J2- cell K1	We question the need to report this item due to the large costs involved.																					
Re-J2- cell L1																						
Re-J2- cell M1																						
Re-J2- cell N1																						
Re-J2- cell O1	There does not appear to be a LOG entry for this cell. Please refer to Re-J1 cell N1.																					
Re-J2- cell P1																						
Re-J2- cell Q1	The LOG states that the premiums paid for 100% of the treaty should be stated – it is not clear how this would work where a treaty has only been partially placed.																					
Re-J2- cell R1	Further guidance on "N1.2 (%)" would be helpful.																					
Re-J2- cell S1																						
Re-J2- cell T1	Further guidance is required as to whether sub-limits are intended for this item.																					
Re-J2- cell U1																						
	<p>We believe that further guidelines should be developed for this template to include examples for different reinsurance programs in order to prevent misunderstanding.</p> <p>For example, how (per LOB) a reinsurance program would be reported, which contains quota share reinsurance, excess liability reinsurance and Life XL-reinsurance.</p> <p>Please find below an example for a Life Reinsurance Program:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Treaty</th> <th style="text-align: left;">Retention/Priority</th> <th style="text-align: left;">Limit</th> <th colspan="2" style="text-align: left;">Maximum Cover per risk/event</th> </tr> <tr> <th></th> <th style="text-align: left;">Maximum/treaty</th> <th></th> <th colspan="2" style="text-align: left;">Share of Reinsurer</th> </tr> </thead> <tbody> <tr> <td>Life Q/S</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">25.000</td> <td style="text-align: center;">25.000</td> <td style="text-align: center;">30%</td> </tr> <tr> <td>Life Surplus 0</td> <td></td> <td style="text-align: center;">250.000</td> <td style="text-align: center;">250.000</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	Treaty	Retention/Priority	Limit	Maximum Cover per risk/event			Maximum/treaty		Share of Reinsurer		Life Q/S	70%	25.000	25.000	30%	Life Surplus 0		250.000	250.000	100%	
Treaty	Retention/Priority	Limit	Maximum Cover per risk/event																			
	Maximum/treaty		Share of Reinsurer																			
Life Q/S	70%	25.000	25.000	30%																		
Life Surplus 0		250.000	250.000	100%																		
Re-J2- cell V1																						

Comments Template on Draft proposal for Quantitative Reporting Templates						Deadline 20 January 2012 12:00 CET
	Life Cat XL/event	250.000	2.000.000	3.000.000	100%	
	<p>Further clarification required:</p> <ul style="list-style-type: none"> • For certain types of reinsurance, the limits are applied to each policy while for other types of reinsurance; limits may be applied to a portfolio of policies. Should the presentation of amounts be made consistent? • P1: Limit: there could be different limits for treaties or LOB, it is not clear which one should be reported. • R1: Maximum cover per treaty: the definition in the LOG specifies how to calculate this with the number of "free" reinstatements. What happens when some reinstatements are not free but at pre-defined rates? 					
Re-J2- cell W1						
Re-J2- cell X1						
Re-J2- cell Y1						
Re-J2- cell Z1						
Re-J2- cell AA1	We question the distinction between reinsurance commission and overriding commission.					
Re-J2- cell AB1	Please refer to RE – J2 – cell AA1.					
Re-J2- cell AC1	Please refer to RE – J2 – cell AA1.					
Re-J2- cell AD1	Please refer to RE – J2 – cell AA1.					
Re-J2- cell AE1	Please refer to RE – J2 – cell AA1.					
Re-J2- cell AF1	Please refer to RE – J2 – cell AA1.					
Re-J2- cell AG1						
Re-J2- cell AM1						
Re-J2- cell AO1						

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J2- cell AP1	Please refer to Re-J2 – General – only estimates will be available for contracts relating to the next reporting year.	
Re-J2- cell AQ1	<p>The “estimated reinsurance premium” will be difficult to value in particular for XL and stop loss treaties.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Should the estimated premium include the estimated impact of new business in the year after the valuation? • Should there be some comparison with reinsurance premiums paid / payable in the current financial year? 	
Re – J3- General	<p>Any calculation on reinsurance recoverables for single reinsurers can only be carried through by using approximations. Detailed calculations would represent a disproportionate burden especially for undertakings that are small and medium, in terms of nature, size and complexity.</p> <p>Reconciliations to Solvency II balance sheet must be embedded in the process and as such the definitions in the template should be the same as in the Counterparty Default Risk module to avoid confusion.</p> <p>We believe that the split of reinsurance share of Solvency II technical provisions by counterparty would be problematic for quota share contracts, special systems would be required to handle reporting of this information.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification on whether to report active reinsurance would be welcome. • Should ‘fronting insurance’ be reported in this template? • The balancing of net receivables between insurer and reinsurer is done according to treaty conditions and usually within the months after the end of each quarter of the year. We query if net receivables, for example, net receivables for 4th quarter balanced as at 28.2.2010 should also be reported in this template? We query how to address the situation of undertakings with different ratings within the same group? 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET								
Re – J3- Purpose										
Re – J3- Benefits										
Re – J3- Costs	Additional costs will be incurred through the need to include additional data items. For example: EIOPA codes and names of Reinsured; Reinsurer and Broker; Type of reinsurer.									
Re – J3- Groups	<p>The issue of reporting ratings at group level could be problematic. We propose that an aggregate approach be adopted, the following is an example of how this could be broken down:</p> <table style="margin-left: 20px;"> <tr> <td>Reporting grade:</td> <td>Percentage of the reinsurance undertakings</td> </tr> <tr> <td>AAA</td> <td>15%</td> </tr> <tr> <td>AA</td> <td>55%</td> </tr> <tr> <td>BBB</td> <td>30%</td> </tr> </table>	Reporting grade:	Percentage of the reinsurance undertakings	AAA	15%	AA	55%	BBB	30%	
Reporting grade:	Percentage of the reinsurance undertakings									
AAA	15%									
AA	55%									
BBB	30%									
Re – J3- Materiality	A materiality clause should be introduced to report only the 10 largest reinsurers, this would prevent the need for every item to be reported, regardless of its relative size. We believe this is an example of how proportionality could be applied to reporting templates.									
Re – J3- Disclosure										
Re – J3- Frequency										
Re-J3- cell A1										
Re-J3- cell B1	EU-wide unique identification codes for entities provided by EIOPA have not been published yet. These should be communicated well in advance of entry into force of Solvency II.									
Re-J3- cell C1	There needs to be a clearly defined set of references for reinsurers, such as NAIC or LORS codes, to avoid misunderstandings.									

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J3- cell D1	<p>We believe the list should also include a category to capture 'Fronting' type arrangements.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification and guidance will be necessary to ensure consistency of definitions on an undertaking by undertaking basis. For example, one undertaking might internally categorise themselves as an insurer, but from another undertaking perspective it may be categorised as an external reinsurer. • Also, some undertakings may use the same legal entity for both direct insurance (=insurer) and assumed treaty reinsurance (=reinsurer). 	
Re-J3- cell E1		
Re-J3- cell F1	<p>Development of systems will be necessary to ensure consistency in the approach between ratings/agencies reported across both Assets templates and Reinsurance templates.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • We believe it is unclear which rating should be used. For example, the same as for Counterparty default or is it optional? We express preference to use the same rating as used for counterparty. • If more than one rating is available for a reinsurer, which one would take precedence? 	
Re-J3- cell G1	Please refer to RE – J3 – cell F1.	
Re-J3- cell H1	Purpose of reporting by broker is not clear. Even in the case of placement, the risk will be with the reinsurer and not with the broker. We query if the template requires the specification of both the name of the Broker and the Reinsurer or can the name of the reinsurer be left out if the Broker is specified?	
Re-J3- cell I1	Please refer to RE -J3 – cell H1.	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
Re-J3- cell J1	Please refer to RE -J3 – cell H1.	
Re-J3- cell L1	Further guidance is required on completing this cell and whether this should be done on a best estimate basis, the reinsurance recoveries relating to claims provisions, cash flow without discounting, present value of cash flows, i.e. including discounting effects.	
Re-J3- cell M1	Please refer to RE – J3 – cell L1.	
Re-J3- cell O1	Assumption that this number is equivalent to reinsurance debtors may lead to the risk of double-counting, as reinsurance debtors are included within the undertakings calculations for reinsurance premiums and claims reserving. In the situation where amounts are due via a broker, not directly from a reinsurer, we ask that EIOPA clarify how such amounts are to be presented in this template.	
Re-J3- cell P1	Reporting this information will require some effort to develop the appropriate systems and processes. Further clarification required: <ul style="list-style-type: none"> • More detailed definitions are required for “Asset pledge” and “financial guarantees” in order to better understand the differences between the two • How are Letters of Credit allowed for? The assets are not necessarily pledged but are contingent. 	
Re-J3- cell Q1	We question whether parental guarantees given in support of reinsurer subsidiaries should be included in this field?	
Re-J3- cell R1	Reporting this information will require some effort to develop the appropriate systems and processes. Further clarification required: <ul style="list-style-type: none"> • More detailed definitions are required for “Asset pledge” and “financial guarantees” in order to better understand the differences between the two. 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> How are Letters of Credit allowed for? The assets are not necessarily pledged but are contingent. 	
SPV-General	Data relating to SPVs is unlikely to change over the lifetime of an SPV therefore the information to be submitted to Supervisors upon authorisation of an SPV should be sufficient in terms of reporting.	
SPV-Purpose		
SPV-Benefits		
SPV-Costs		
SPV-Groups	We believe that this template will be manageable at group level as it would essentially consist of a sum of solo templates.	
SPV-Materiality		
SPV-Disclosure		
SPV-Frequency		
SPV- cell A1		
SPV- cell B1		
SPV- cell B1A		
SPV- cell C1		
SPV- cell D1		
SPV- cell E1		
SPV- cell F1		
SPV- cell F1A		
SPV- cell G1		
SPV- cell H1		
SPV- cell I1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
SPV- cell J1		
SPV- cell K1		
SPV- cell L1		
SPV- cell M1		
SPV- cell N1		
SPV- cell O1		
SPV- cell P1		
SPV- cell Q1		
SPV- cell R1		
SPV- cell S1		
SPV- cell T1		
SPV- cell V1		
SPV- cell W1		
SPV- cell X1		
SPV- cell Y1		
SPV- cell Z1		
G01-Purpose	<p>EIOPA clarifies that this template is based on figures of solo undertakings net of IGT. We believe it would be logical for all information at solo level to be reported gross of IGT (to properly illustrate where the transaction exists) but when it comes to group data, the information be reported net of IGT, as is the case in the normal consolidation process. Since this template requires information on underlying solo undertakings, we propose the information be reported gross of IGT. The effects of consolidation, elimination of IGT and further identification of IGT are dealt with in separate templates under this category.</p> <p>Information on UCITS will be difficult to obtain, such vehicles generally hold assets backing policyholder liabilities which have no impact on Group Capital/Shareholder Position, and we therefore question the purpose of reporting this information. Clarification on how to incorporate 'Real Estate' and general guidance for 'Funds' i.e.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>how consolidation should be applied, would also be helpful.</p> <p>The decision on the scope of the group must be communicated well in advance of entry into force so that IT tools and data processes can be implemented in advance.</p> <p>There is a mix of SII and IFRS items in this template for example, the ranking criteria against criteria of influence.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Reference number: will this be provided by the Supervisor? • Turnover: Should solo numbers be provided? 	
G01-Benefits		
G01-Costs	Further costs are likely to be incurred at future dates as a result of any changes within the group scope.	
G01-Application	We request further clarification regarding the level of non-controlling participations that should be included in this template.	
G01-Materiality	<p>Reporting every entity within the group does not appear consistent with the principle of proportionality. We propose to report enough information to clarify ownership at group level, all material subsidiaries and significant investments in joint controlled entities and associates. If this exercise is performed once at group level, it should not be required to apply group reporting requiring a bottom up view of the group.</p> <p>There should be a materiality threshold that allows for exclusion of entities of negligible interest. This is consistent with Article 214 of the Framework Directive. A quantitative threshold could be for all undertakings contributing less than X% (to be determined) to the group SCR.</p>	
G01-Disclosure	We understand a related disclosure requirement derives from the draft Level 2 text. We appreciate that supervisors must have a comprehensive understanding of the group which they authorise and that this information is also important for	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>transparency purposes. However we propose that any further disclosures on group structures can be based on a simplified view of this template, given that this template will already be disclosed.</p> <p>It should be clarified when disclosing this template that this is the starting point for determining the scope of the group and not all underlying undertakings may fall under the scope of Solvency II group supervision or group capital requirements. The information should be understood as such.</p>	
G01-Frequency		
G01- cell A1		
G01- cell B1	It is unclear whether this will be a new number to be assigned to the group by EIOPA? The question arises as to how non-regulated entities would be treated and how EIOPA can ensure a harmonised code structure is used by third country supervisors.	
G01- cell C1		
G01- cell D1		
G01- cell E1		
G01- cell F1		
G01- cell G1		
G01- cell H1	<p>We question the relevance of using balance sheet and written premiums for the purpose of ranking undertakings in terms of significance. Clarification would be helpful on whether the term "Total Balance Sheet" refers to "excess of assets over liabilities" in BS - C1 - cell - L27.</p> <p>Since this template will help supervisors to assess the scope of Solvency II group supervision and capital requirement calculations, we believe the starting point should indeed be Solvency II. It may however be the case that some groups use the scope of consolidated accounts as the starting point for assessing the group and make adjustments so the information is consistent with Solvency II. This method should also be possible and in such cases, the group would use IFRS (for example) as the starting point, adjust to Solvency II and inform the supervisor that this is the case.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	Please refer to G01 – General. We do not understand why the total of solo balance sheets are reported net of IGTs. The information should be taken directly from the solo balance sheet whereby information would be presented gross of IGT. Netting and the results of consolidation will be presented in other group templates. This is also consistent with the approach used under IFRS.	
G01- cell I1	<p>It is unclear what should be reported for entities that are purely cost entities, and hence have no turnover?</p> <p>Clarification would be helpful on whether Solvency II data should be reported or statutory accounting data. We support Solvency II for (re)insurance undertakings and sectoral/accounting valuations for others.</p>	
G01- cell J1	<p>It is unclear how the group should report the underwriting and investment performance of their underlying undertakings. We question the purpose and added value for supervisors of reporting this information.</p> <p>If this cell is to be filled in with VA figures, we strongly ask EIOPA to allow for the use of figures consistent, and equal to, the solo VA templates. In all cases, VA figures net of IGT should not be requested. We believe this would be very burdensome with little benefit.</p>	
G01- cell K1	Please refer to G01 – cell J1.	
G01- cell L1	There is an error in the LOG whereby this cell is also described as “underwriting performance”.	
G01- cell M1		
G01- cell N1	We query what figure should be reported here, for example; for a subsidiary which is 85% owned and where 100% of assets and liabilities are brought in with a 15% MI being recognised. We presume the figure to be reported here is 85% rather than	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	100%?	
G01- cell O1		
G01- cell P1		
G01- cell Q1	Although it is stated that the group supervisor is responsible for assessing the level of influence exercised by the parent undertaking as either "dominant" or "significant", it would be helpful to have some guidelines, such as the thresholds outlined in QIS 5, to avoid any confusion.	
G01- cell R1		
G01- cell S1	<p>The log states this cell should indicate if the entity is consolidated in the group consolidated accounts. We query if this relates only to entities which are under dominant influence and therefore fully consolidated (e.g. subsidiaries) or would it also include entities which are under significant influence and therefore equity accounted (e.g. associates)?</p> <p>It would be helpful to have an example of entities that would not be included in the group consolidated accounts and guidance on how the premium and balance sheet items should be reported for these entities.</p>	
G01- cell T1	Please refer to G01 – cell – S1. We understand that the scope of group capital requirements and group supervision may differ. More clarification and guidance from EIOPA would be of help.	
G01- cell U1		
G01- cell V1		
G03 & G04-Purpose	<p>Please refer to G01 – General.</p> <p>G03 An exact definition of the data for reporting is often missing:</p> <ul style="list-style-type: none"> • For non-EEA insurance companies, guidance would be helpful on how to 	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

- calculate first the "local level of capital requirement (equivalent of SCR)" and secondly, the "local final intervention point (equivalent of MCR)".
- We assume that only data/values as at the reporting date are required in the first year of reporting.

If possible, an example of a completed template would be helpful for the parent to anticipate what is required.

It has been assumed that the "Standard Formula" and "Internal Model used" sections are mutually exclusive i.e. group to complete both. Clarification would be helpful on this point. Similarly, if equivalence has been granted, then there should be no requirement to complete the SII rules sections. Again, clarification would be helpful.

The requirement to complete local solvency information where equivalence has not been recognised may prove very onerous. It could be the case that local regulatory equivalents of SCR, MCR and Own Funds do not exist, or may not be available in line with the reporting deadline for Solvency II templates. In making the decision to grant equivalence, the supervisor will have already assessed and understood the differences between Solvency II and the non-EEA basis. Therefore we do not believe that the supervisory benefits, in comparison to the costs to the group, are proportionate.

We would propose that data is reported at an appropriate level of summarisation to be readily and easily understood in the context of a group as a whole.

G04

Our understanding is that this template is required for entities that are listed in G01, but not covered by G03 reporting. If so, this would be a very extensive list. Since Solvency II is focused on (re)insurance undertakings, it should be allowed to report on a more aggregated level. Asset Management entities could be reported as a whole. Banks which are subject to Basel II could be an exception. Alternatively, a threshold could be introduced to allow that smaller immaterial non-(re)insurance undertakings be reported as a whole.

Further clarification required:

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> The UK indicated a specific issue with the treatment of Syndicates and Management Agencies of Lloyd's. Management Agencies are separate legal entities and are incorporated into the capital requirement calculations of the Group to which they belong. It is assumed they would be reported as such in this template however clarification would be welcome. Management agencies, however, also form part of the Lloyd's market so the question arises if reporting should be done by their group parent, by Lloyd's, or by both. <p>SCR information should not be provided for every solo entity including entities outside EEA. Instead the SCR reporting should only be done for major business units.</p>	
G03 & G04-Benefits	Please refer to cell G01 – General.	
G03 & G04-Costs	Please refer to cell G01 – General.	
G03 & G04-Application	Please refer to cell G01 – General.	
G03 & G04-Materiality	For general comments, please also refer to cell G01 – General.	
G03 & G04-Frequency		
G03- cell A1		
G03- cell B1	The LOG refers to makes reference to the following solo templates: SCR – B2A; or SCR – B2B. Should the LOG also make reference to SCR-B2C?	
G03- cell C1		
G03- cell D1	It is unclear whether the data requested in this cell relates to eligible own funds to meet the SCR or the MCR – further clarification would be helpful.	
G03- cell E1		
G03- cell F1		
G03- cell G1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
G03- cell H1		
G03- cell I1		
G03- cell J1		
G03- cell K1		
G03- cell L1		
G03- cell M1		
G03- cell N1	It is not completely clear if data shall be reported even when no D&A method is used.	
G03- cell O1	Please refer to G03 – cell N1.	
G03- cell P1	Please refer to G03 – cell N1.	
G04- cell A1	The LOG states that this template would incorporate holding companies and other financial sectors. We query if non-financial sectors (NFS) are also to be incorporated here and if not, where?	
G04- cell A2	Further clarification is needed what the identification code from national registration systems is meant to be.	
G04- cell B1		
G04- cell C1	Should this section include the notional SCR's of third country firms/intermediaries and, if so, how should these be calculated?	
G04- cell D1		
G04- cell E1		
G14-Purpose	Please refer to G01 – General. We do not support the splitting of risk margin per LOB and believe that diversification benefits should be taken into account at group level. The definitions in the LOG should be further developed and consistency should be	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>ensured with other templates, for example BS-C1.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Guidance would be helpful on whether contribution to Group in Column R is gross or net of reinsurance. Should the values in the "Solo Gross BE and TP calculated as a whole" in columns E, I & M reconcile to the "contribution to the Group Balance Sheet (Without IGT)" value in column R? • Clarification is required on "reinsurance ceded externally to the group". • Clarification would be helpful on how diversification should be treated at Group level within the context of this template. 	
G14-Benefits		
G14-Costs		
G14-Application		
G14-Materiality		
G14-Disclosure		
G14-Frequency		
G14- cell A1		
G14- cell B1	The treatment of NFS should be clear, other templates relate to reporting of information per "legal entity" whereas this cell refers to "undertaking".	
G14- cell C1		
G14- cell D1		
G14- cell E1		
G14- cell F1		
G14- cell G1		
G14- cell H1		
G14- cell I1		
G14- cell J1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
G14- cell K1		
G14- cell L1		
G14- cell M1		
G14- cell N1		
G14- cell O1		
G14- cell P1		
G14- cell Q1		
G14- cell R1		
G20-Purpose	<p>Please refer to G01 – General.</p> <p>We query how to complete this template when using a partial/full internal model. If an internal model is used, it may not necessarily follow the same split as in this template.</p>	
G20-Benefits		
G20-Costs		
G20-Application		
G20-Materiality	Please refer to cell G01 – Materiality.	
G20-Disclosure		
G20-Frequency		
G20- cell A1	Further clarification on “reference number” should be provided.	
G20- cell B1		
G20- cell C1		
G20- cell D1		
G20- cell E1		
G20- cell F1		
G20- cell I1		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
G20- cell J1		
G20- cell K1		
IGT1 to IGT4-Purpose	<p>The reporting of IGT at entity level is unduly onerous requiring a large amount of data to be captured, we would support that some form of aggregate reporting be allowed.</p> <p><u>Valuation of IGTs</u> We would advocate a pragmatic approach to the valuation of IGTs (e.g. appropriate use of reporting GAAP), given that IGTs should, in any case, eliminate on Group consolidation.</p> <p><u>Lack of totals/sub-total / summarisation</u> As with the other Group templates, we believe that the format of the IGT templates are not user friendly. An efficient internal review and sign-off process would be facilitated by a more summarised level of data in line with current reporting / management structure of the Group. This would also have the advantage of assisting comparability between periods and different companies for external users of the returns.</p> <p><u>Validation</u> It is not clear how these templates will be validated. A particular template, such as equity, captures one side of the transaction and only includes items above the prescribed materiality level, so the total transactions at the Group level will not net to zero.</p> <p>We query whether all IGTs should be reported, which had occur during the reporting period, especially as Solvency II is ultimately a measure at a point in time and therefore it is confusing to include items which no longer impact on the solvency position.</p> <p>Explanatory documents similar to those accompanying templates on Assets and Balance Sheet would be helpful to clarify some of the definitions and abbreviations used.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p><u>Loan with the same entity at a sub-group level</u> As above, identifying "loan" at legal entity level would be onerous task, potentially some of the loan may be split between two entities in the same sub-group and may not be reported at the Group level, because they eliminate at the level below the group consolidation.</p>	
IGT1 to IGT4-Benefits		
IGT1 to IGT4-Costs	The potential costs will depend on the thresholds that will be set for the group.	
IGT1 to IGT4-Application		
IGT1 to IGT4-Materiality	<p>It is difficult to comment on materiality thresholds without first knowing the end result, we understand the result will depend on consultations between the parent undertaking and the group supervisor. We support EIOPA's proposal to work towards harmonised thresholds however a specific quantitative limit may be suitable in some countries and not in others. It is important that the criteria for establishing thresholds are established in supervisory guidelines.</p> <p>In this sense, we have numerous questions about how thresholds would apply i.e. how would a reinsurance agreement be valued to compare to the threshold? Which amount is compared to the threshold amount to determine if the transaction is to be reported: Reinsurance result, Maximum cover, Claims paid, Premiums paid, .. ?</p> <p>Supervisors should also consider the thresholds applied under other legislative requirements to which the group parent must comply with, for example, the Financial Conglomerates Directive. Again this is subjective to size, not every (re)insurance parent undertaking will be categorised as a financial conglomerate.</p> <p>We would support an agreement on materiality thresholds well in advance of entry into force in order to plan for the necessary reporting requirements. Thresholds should be appropriate to the circumstances of the particular reporting group.</p> <p>We would welcome the opportunity to discuss with EIOPA, potential criteria for setting these thresholds. Measurements linked to Solvency II could be X (to be determined) in</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	relation to percentage of assets held, SCR or own funds, for example.	
IGT1 to IGT4-Disclosure		
IGT1 to IGT4-Frequency	We understand that EIOPA will elaborate further on “very significant IGT” and the achievement of “as soon as practicable” through supervisory guidelines. Once the guidelines and reporting package are finalised, a link should be made between the two.	
IGT1- cell B6	<p>We question the ‘value added’ of reporting IGT on equity type information for the purpose of Solvency II, we believe it is unclear how it would assist in the monitoring of risk. Investments in subsidiaries would eliminate on consolidation (investment in subsidiary cancelling with share capital plus pre-acquisition reserves) for purposes of Group reporting.</p> <p>We assume that collective investment scheme subsidiaries are not included in the scope. We also believe it is unlikely that ISIN codes would be made available on intra-group equity investments, in general, ISIN codes do not exist for internal funding.</p> <p>To report this data for a group of significant size would be extremely time consuming, especially having to list separately all movements since the previous reporting period and include details by different currency. The final listing would run to many tens of pages, especially if data is built up and reported piecemeal over time, as implied by the “Issue date” column.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • Clarification would be helpful on whether this includes Intra-Group Trading balances. • Clarification would be helpful on whether all transactions ended since the last reporting date must also be reported. If completing a template for period 1 Jan to 31 March, and reporting on 30 April, should this include settled transactions between 1 April and 30 April? • Should the group utilise this template to report intra-group loans issued, as well as those received? If intra-group loans have been both issued/received 	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>and repaid in full during the reporting period would there be a requirement to report these? If so, how does EIOPA envisage these to be reported?</p> <ul style="list-style-type: none"> • Should the template include repos or swaps, or only loans and capital? • A definition is required for 'any transaction having the same impact', for example, does this also include 'accounts receivables on reinsurance business' or 'funds held by others under reinsurance business assumed'? • As per above, the purpose of this data is not apparent and we note, depending on further clarification, that it will potentially be difficult to obtain and report. 	
IGT1- cell C6		
IGT1- cell D6		
IGT1- cell E6		
	<p>The CEA questions how the use of ID codes will be applied to entities within the group structure that would be subject to this template? ISIN codes may not exist for internal funding therefore it should be possible to use undertaking specific codes in such cases an external code does not exist.</p> <p>It is not clear whether this data field refers to the investor/buyer/transferee or –as we assume–the Issuer/seller/transferor. The LOG should be clear at this point.</p>	
IGT1- cell F6		
IGT1- cell G6	Please refer to IGT1- cell F6.	
	If the threshold constitutes a monetary value then reporting should be based on the groups' reporting currency. This is consistent with the methods used when reporting consolidated accounts.	
IGT1- cell H6		
	<p>Further clarification required:</p> <ul style="list-style-type: none"> • There should be further definition of the types of transactions to be covered here in order to clarify the scope of this form? Also, does this refer only to transactions during the reporting period? For example, what about where there is an investment in a subsidiary but no transactions during the year but there is a balance at the beginning and end of the year? • Or if the only movement is due to impairment or Fair Value movements? For an 	
IGT1- cell I6		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	equity investment would the only transactions to be reported be dividends, investments in equity or reductions in equity during the reporting period?	
IGT1- cell J6	Consistency with other templates should be ensured. For example, SCR B2A makes reference to the use of ISO format for the reporting of dates.	
IGT1- cell K6		
IGT1- cell L6		
IGT1- cell M6		
IGT1- cell N6		
IGT1- cell O6		
IGT1- cell P6	The definition of "top-ups" is unclear.	
IGT1- cell Q6		
IGT1- cell R6		
IGT1- cell S6		
IGT2- cell B6	We would expect a far more summarised level of reporting than that currently set out which, as noted above, appears potentially extremely onerous. There appears to be no disclosure of closing balances, does this imply that the template is only concerned with transactions that have occurred during the reporting period?	
IGT2- cell C6		
IGT2- cell D6	We believe there is an overlap between this template and IGT1, the description states that the aim is to list all significant IGT on equity and other capital items; this is also requested in IGT1. We query whether the template should capture IGTs, other than those on equity, which are captured in IGT1? With a derivative transaction such as an interest rate swap, who should be represented as the investor/buyer and who should be represented as the issuer/seller	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	as they are both just counterparties to a derivative contract? Typical terminology for the two parties here would be 'payer' (paying fixed rate) and 'receiver' (paying floating rate). Also, all cells in the LOG accompanying the template are designated as e.g. B6 instead of B5.	
IGT2- cell E6		
IGT2- cell F6	It is not clear whether this data field refers to the investor/buyer/transferee or –as we assume–the Issuer/seller/transferor. The LOG should be clear at this point.	
IGT2- cell G6	Please refer to IGT2 – cell F6.	
IGT2- cell H6		
IGT2- cell I6		
IGT2- cell J6		
IGT2- cell K6	If there is no maturity date, should this cell be left blank?	
IGT2- cell L6		
IGT2- cell M6		
IGT2- cell N6		
IGT2- cell O6		
IGT2- cell P6		
IGT2- cell Q6		
IGT2- cell R6		
IGT2- cell S6		
IGT2- cell T6		
IGT2- cell U6		
IGT2- cell V6		
IGT2- cell W6		
IGT3- cell B6	Reinsurance contracts are in general underwritten annually, a shorter timeframe is	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>highly exceptional therefore quarterly reporting would neither produce relevant additional information nor could the required data be generated without intense and time-consuming additional effort (especially because every existing reinsurance relation, including its accounting and valuation parameters are affected and have to be depicted in a very detailed manner).</p> <p>The requested data is available but would require considerable cost to provide it in the proposed template. Also, the reinsurance strategy is strictly confidential and should not be publically disclosed by the Supervisor.</p> <p>As a general comment, the letters and numbering in the LOG do not always correspond to the template. For the purpose of our response, CEA comments will refer to the letters and numbering used in the template.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • The extent of reporting for the current accident year and movement on prior underwriting year results regarding internal quota share reinsurance arrangements should be clarified. • Clarification would be helpful on whether this template solely relates to internal re-insurance with ceded premiums in the current year. Clarification is required on lines of activities: specify the LOBs; date of signature: signing date/ treaty in force? • References are made only to "treaty"-are we to assume that facultative cover is not included? 	
IGT3- cell C6	According to the LOG, an entity identification code will be assigned by EIOPA. Allocation of new reference codes should be communicated well in advance of entry into force of Solvency II.	
IGT3- cell D6		
IGT3- cell D6		
IGT3- cell E6		
IGT3- cell F6	According to general IGT document file, transaction amounts are to be reported in the	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	currency of the transaction. We assume this does not apply to the threshold value (i.e. threshold to be reported in the Reporting currency of the group).	
IGT3- cell G6		
IGT3- cell H6		
IGT3- cell I6	<p>This template suggests that all transaction amounts are to be reported in the currency of the transaction.</p> <p>1) This results in a list with incomparable amounts, as the amounts will be specified in different currencies. That does not help in identifying major risks.</p> <p>2) Assume for reinsurance agreements this is the Currency of the treaty. Not clear if all amounts reported here are 'transaction amounts' and thus to be reported in the currency of the treaty.</p>	
IGT3- cell J6	<p>Re-J2 cell H1 states that an extended coding system will be provided. If that occurs, this should also be applied to this template for consistency. Values give specific codes for Reinsurance treaty, but for Facultative reinsurance we would expect additional values (Proportional / Non proportional).</p> <p>This is referred to as M6 in the LOG; it should be changed to K5.</p> <p>For the type of reinsurance treaty, the closed list not consistent with list in Re-J2-cell J1.</p>	
IGT3- cell K6		
IGT3- cell L6		
IGT3- cell M6		
IGT3- cell N6	This appears to be a new measure not used in the solo templates. Clarification would be helpful regarding how this template should be completed. Please also refer to cell I6 with regards to reporting currency.	
IGT3- cell O6		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
IGT4- cell B5	<p>As a general comment, we do not believe that reporting of "internal cost sharing", or generic IGT information, would assist in assessing risk management. We would suggest reporting of intra-group transactions in line with existing IFRS requirements.</p> <p>We question the Supervisory purpose of requesting this information; we believe that to list all transactions internally on a cost sharing basis would be overly onerous in comparison to the value gained. Requesting this information on an ad hoc basis could be more appropriate.</p> <p>In general, more qualitative feedback will be possible once materiality thresholds are better understood.</p> <p>Further clarification required:</p> <ul style="list-style-type: none"> • It is unclear if transfer of shares should be included in the column "Transaction Type". • Should unrealised profits be reflected in this sheet? • Further clarification on definition and the transactions expected to be reported in this template would be helpful. • It is unclear how to report the revenue and expenses regarding the intra group transactions. • The question was raised if this template would cover internal cost sharing between life entities or broader, for example, service level agreements. • Further clarification on definition and the transactions expected to be reported in this template would be helpful. 	
IGT4- cell C5	<p>Clarification that this template is intended to capture IGTs other than equity is helpful. There remains the question however as to what off-balance sheet items should be reported. Guarantees are clear, but repos and derivatives are included in the LOG definition, which do not appear on the balance sheet.</p> <p>The granularity of available data will depend on the instrument itself, guidance would be helpful from EIOPA that full reporting of all columns will depend on whether the data request applies/is available on each particular instrument.</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	With the replacement of IAS37, "contingent liabilities" will disappear. Liabilities will no longer represent possible outflows but a probability-weighted average of possible outflows.	
IGT4- cell D5		
IGT4- cell E5		
IGT4- cell F5		
IGT4- cell G5		
IGT4- cell H5		
IGT4- cell I5		
IGT4- cell J5		
IGT4- cell K5		
IGT4- cell L5		
IGT4- cell M5	We believe this cell should refer to M6. Further clarification on definitions would be helpful.	
IGT4- cell N5		
IGT4- cell O5		
IGT4- cell P5		
RC-Purpose	<p>It's difficult to give a relevant view through only quantitative reporting, since the notion of risk concentration is difficult to define precisely.</p> <p>A pragmatic way could be to combine quantitative reporting such as for example the 10 biggest aggregate exposures to individual counterparties (counterparties in terms of companies / groups of companies; aggregating equity, bond, derivative, reinsurance and other measurable exposures) with qualitative reporting, asking for the most prominent risk concentrations in terms of product, geography or otherwise to be described briefly qualitatively. If such brief qualitative information triggers the need for deeper information, the supervisor would ask for it when the need arises.</p>	

**Comments Template on
Draft proposal for Quantitative Reporting Templates**

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

We are not convinced that the data gathered is the most efficient means for addressing the supervisor's concerns around risk concentration i.e. the detailed information at a point of time can give only a 'snapshot', whereas there are better tools (e.g. Pillar II/ORSA) to assess the Group's ability to manage and control risk concentration. We are also concerned at the apparent overlap/duplication with the already highly detailed Assets schedules (D-templates).

It would seem from the template that liability exposures are requested in addition to asset exposures. It would be useful to know how this information will be monitored for risk concentration purposes as generally more focus is placed on asset and potential asset exposures to highlight potential losses to the group if something happens to that counterparty.

"Most important" exposures have not been defined, especially where different types of exposure to the same counterparty exist. For instance, if a loan has been taken from a bank, but shares are also held in that same bank, there may be qualitative considerations as well as simple quantitative factors.

Further clarification required: for assets:

- Should exposures to sovereign counterparties be disclosed within the RC templates? Particularly as sovereign exposure risk within the EEA has increased in relevance recently?
- With respect to country exposure, would this be the exposure to government bonds or country exposure for all investments held?
- Where counterparties have received national government assistance & bailouts, should those entities be categorised as a sovereign exposure where those national governments have become the single largest or majority shareholders or where they are able to exercise dominant influence?
- Which credit rating agency is required? It is not uncommon for different agencies to assign different ratings. What ratings are required for unrated instruments? In general, equities and real estate are not allocated credit ratings by recognised agencies.
- How is it envisaged that exposure via derivatives will be recorded?
- Clarity on the definitions of ID codes would be helpful. SEDOL/Bloomberg ID?

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<ul style="list-style-type: none"> Treatment of derivatives, guarantees, collateral: it is not clear how derivatives, guarantees, collateral etc. would be encompassed by this template. <p>Further clarification required: for liabilities:</p> <ul style="list-style-type: none"> Is it necessary to split out for different currencies, or just list currencies of exposure? How is it envisaged that exposure via derivatives will be recorded? How is it envisaged that Stock Lending and Collateral be treated? How is 'exposure' measured? <p>Further clarification required: on global issues:</p> <ul style="list-style-type: none"> In order for data to be consistent across entities, a definition will be required. The current amount utilised most extensively as an internal measure of exposure is single hit/ 1st loss exposure. Treatment of reinstatements and impact on maximum exposure is an area where specific guidance will be required. The extent of the detailed drill down for major issuers is unclear; do we need to list all exposures totalling back to the total? It is unclear whether all existing reinsurance agreements are to be listed or only the current accumulation year. If all existing reinsurance agreements would have to be listed, difficulties with the availability of data would occur. Within facultative reinsurances contracts, there are several hundred risks separately insured. 	
RC-Benefits		
RC-Costs		
RC-Application		
RC-Materiality		
RC-Disclosure	<p>In some countries this information is given to rating agencies however the intention to disclose this to the wider public is of concern. By the time the template would be disclosed, the information may no longer be relevant.</p> <p>The CEA does not support public disclosure of this template. It could be</p>	

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
	<p>misinterpreted and have a significant impact on financial. Moreover, corporate listed entities for which there is a risk concentration would not accepted to be publicly quoted.</p> <p>Clarification would be helpful on what EIOPA mean by "simplified version".</p>	
RC-Frequency		
RC- cell A2	The definition should be clarified – does this mean the exposure counterparty rather than the group counterparty which has the exposure (latter looks to be required in A10)? If a standard code is to be supplied, this should be done as soon as possible in order to allow for systems implementation. Also, what form will this take and how will it be maintained? Will this be the entity concerned as well as the group it belongs to or only the group?	
RC- cell A3	Will a closed list be provided? It would seem from below that liability exposures are to be included in this table-please clarify how this information will be used to monitor the risk exposure of the group as generally risk exposure focuses on assets and potential assets.	
RC- cell A4	Further clarity required, e.g. where an equity, would this be where the equity is listed, or where the headquarters of the entity issuer is located?	
RC- cell A5		
RC- cell A6	Are all ID code sources of equal merit or will there be a list in order of preference? Also, we will need the closed list as soon as possible to ensure the data we have available sources the allowed ID code type.	
RC- cell A7		
RC- cell A8	Are all rating agency sources of equal merit, or will there be a list in order of preference? Such a list should be provided as soon as possible to ensure systems development has captured available sources.	
RC- cell A9		

Comments Template on Draft proposal for Quantitative Reporting Templates		Deadline 20 January 2012 12:00 CET
RC- cell A10		
RC- cell A11		
RC- cell A12	Consistency with other templates should be ensured. For example, SCR B2A makes reference to the use of ISO format for the reporting of dates.	
RC- cell A13	The group reporting currency should be used for this cell. What is the SII value of the exposure? Clarification needed? Is this applicable for reinsurance?	
RC- cell A14	The group reporting currency should be used for this cell.	
RC- cell A15	Definition is not clear e.g. What is max value for a derivative? Is this only applicable for reinsurance?	
RC- cell A16		
RC- cell A17		
RC- cell A18	For off-balance sheet items, it should be clarified whether this is a potential asset or liability.	