

**Comments Template on
Consultation Paper on EIOPA's second set of advice to the European
Commission on specific items in the Solvency II Delegated Regulation**

**Deadline
5 January 2018
23:59 CET**

Name of Company:	AEGON Hungary Closed Company Ltd.	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <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. <p>Please send the completed template, <u>in Word Format</u>, to CP-17-006@eiopa.europa.eu</p> <p>Our IT tool does not allow processing of any other formats.</p> <p><u>The numbering of the reference refers to the sections</u> of the consultation paper on EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation. Please indicate to which paragraph(s) your comment refers to.</p>		
Reference	Comment	
General Comment		
Introduction		
1.1		
1.1.1		
1.2.1		

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1.2.2		
1.2.3		
1.2.4		
1.3		
1.3.1		
1.3.2		
1.3.3		
1.3.4		
1.3.5		
1.4		
1.4.1		
1.4.2		
2.1		
2.2		
2.3		
2.4.1		
2.4.2		
2.4.3	<p>Aegon_HU support the EIOPA's Opinion 2, but the task of choice of perfect Alpha can be very heavy and cahllenging indeed. As the Analisis shows in the Point 151. Alpha should depend from the type of line of business.</p> <p>We also think, that the meining of "initial recognition date" would not the same in case of calculation of technical provision and in the case of future premium.</p> <p>In addition, both Opinion contains to much from future premium. For example considering a</p>	

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	contract with 100 annual premium from which 15 unearned in a year, and suppose that it is with initial recognition towards the end of the year. By Opinion 1 $P_s=100(=85+15$ from the previous year earned); $FP_{existing}=15$ and FP_{future} also 15, which means, that V_m will be 130. By Opinion 2 FP_{future} also will be 100, so the V_m will be 145 (with $\text{Alpha}=30\%$). With our opinion both of them too high, V_m should be 115 in on going concern basis.	
3.1		
3.2		
3.3		
3.4.1		
3.4.2		
3.4.3	Aegon_HU agree with EIOPA's advice.	
4.1		
4.2		
4.3		
4.4		
4.5.1		
4.5.2		
4.5.3		
5.1		
5.2	We use domestic limit.	
5.3		
5.4.1		
5.4.2		
5.4.2.1		
5.4.2.2		
5.4.2.3		

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5.5.1		
5.5.2.1		
5.5.2.2		
5.5.2.3		
5.6.1		
5.7.1		
5.7.2.1		
5.7.2.2		
5.7.2.3	We agree that 'net of reinsurance' exposures should be consider in the determination of largest exposures.	
6.1	We have no objection.	
6.2		
6.3.1		
6.3.2		
6.3.3.1		
6.3.3.2		
6.3.3.3		
6.4.1		
6.4.2		
6.4.3.1		
6.4.3.2		
6.4.3.3	We agree with the recalibration.	
6.5.1		
6.5.2		
6.5.3.1		
6.5.3.2		

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6.5.3.3		
7.1		
7.2		
7.3		
7.4.1		
7.4.2		
7.4.3	We agree that both proposed approaches are more appropriate than the current one under low interest rate environment	
8.1		
8.2		
8.3		
8.4.1		
8.4.2		
8.4.3	Further clarification of the current legal provisions would provide help in the application.	
9.1		
9.2		
9.3		
9.4.1		
9.4.2		
10.1		
10.2		
10.3		
10.4.1		
10.4.2.1		
10.4.2.2		
10.4.2.3		

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10.4.2.4		
10.4.2.5		
10.4.3	no comment	
11.1		
11.2		
11.3		
11.4.1		
11.4.2		
11.4.3	Considering the related analytical and monitoring burden, the application of this proposal will be beneficial only in case of significant exposures.	
12.1		
12.2		
12.3		
12.3.1		
12.3.2		
12.3.3	No comment	
13.1		
13.2		
13.3		
13.4.1		
13.4.2		
13.4.3		
14.1		
14.2		
14.3		
14.4.1		

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14.4.2		
14.4.3	EIOPA's advice simplify the calculations in case if there are missing data, but ther is no real simplification which could reduce the complexity of CDR calculation.	
15.1		
15.2		
15.3		
15.4.1		
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18.4.1		
18.4.2		

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18.4.3	We agree with the suggestion of keeping the CoC unchanged.	
19.1		
19.2		
19.2.1		
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19.2.4		
19.2.5		
19.2.6		
19.3		
19.4.1		
19.4.2	Aegon HU agrees that there is a stronger case not to align with the banking regime on this point.	
19.4.3	No objections to this amendment	
19.4.4	No objections to this extension	
19.5.1		
19.5.2		
19.5.3	Aegon HU support EIOPA's recommendation not to align with the banking regime on this point.	
19.5.4	A case specific basis for waiving the write-down requirement is not preferable as it harms the transparency of regulation.	
19.6.1		
19.6.2		
19.6.3		
19.6.4	Agree to allow institutions – on a conditional basis - to redeem Tier 1/2/3 instruments before 5 years of the date of issue.	
19.7	No objection to amend the CRR in terms of tax and regulatory calls in order to bring more alignment with Solvency II.	

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20.1		
20.2		
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20.4.1		
20.4.2	Retention of the 20% limit is considered by Aegon HU to be appropriate.	
20.4.3	The impact of strengthening the quality of rT1 instruments by a number of features (e.g. improved permanency, improved loss absorbancy or stronger mandatory triggers) is much less quantifiable, while it can only provide a partial mitigation to a loss of quality of own funds resulting in a weaker protection to policyholders.	
20.4.4	Not supported by Aegon HU.	
21.1		
21.2		
21.3		
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21.7.1		
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21.7.3		
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21.8.1		
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21.10		

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