

**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:	Slovenian Insurance Association	
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		

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
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		
3.1		
3.2		
3.3		
3.4.1		

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
3.4.2		
3.4.3		
4.1		
4.2		
4.3		
4.4		
4.5.1		
4.5.2		
4.5.3		
5.1		
5.2		
5.3		
5.4.1		
5.4.2		
5.4.2.1		
5.4.2.2		
5.4.2.3		
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		

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
6.1		
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	<p>During our review of the Consultation paper on EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation (EIOPA-CP-17-006) actuaries from Triglav Group and Sava Re Group found discrepancies between proposed new market factors for hail and windstorm NAT CAT risks for Slovenia and our experiences and models. Considering that this changes of standard formula for NAT CAT for Slovenia are following the goal to better reflect and measure the risks of natural catastrophes, we must emphasize that total gross capital charge for NAT CAT calculated by SF for Slovenia are too conservative. Our prior own risk assessments of annual gross aggregate claims due to CAT events, done through help of external providers, concluded that the SF (even before adjustments by adding the risks of hail and windstorm) seemed to be a conservative measure of NAT CAT risks, even though in our risk assessments we were taking into the account risks of hail and windstorm for Slovenia. The reason for that lies mainly from the fact that especially flood risk for Slovenia is measured too conservatively. For this reason, we are in addition to comments to proposed adjustment of SF for hail and windstorm, also extending the comments to current calibration of SF for flood and earthquake.</p> <p>Hail and Windstorm The proposed factors for Slovenia are 0,05% and 0,08% for windstorm and hail, respectively. We'd like to point out that in Slovenia, windstorm (without hail) is very unlikely to cause a large loss. All major CAT events from windstorm also included considerable (prevailing) hail loss. The confusion of attributing the loss to one peril was also mentioned when preparing the data for</p>	

**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**

	<p>calibration purposes. Therefore, a joint hail-windstorm CAT event would be much more appropriate. Without introduction of joint event to the Standard formula we propose the following alternative actions:</p> <ol style="list-style-type: none"> 1. Exclusion of windstorm event – based on our past experience and CAT modelling results (obtained from brokers for placement of CAT covers), 1 in 200 years CAT event from hail-windstorm would be more than sufficiently covered just by Hail CAT SCR with proposed new calibration. 2. Lower market factors for hail/windstorm for Slovenia to obtain combined results on the level of current hail CAT SCR calibration. 3. Changes in formula for windstorm exposure; for example introducing lower weight for fire (that would mean different treatment of Slovenia, so probably not feasible). 4. Correction of correlation between hail and windstorm from 0 to negative correlation of -25% (that would mean different treatment of Slovenia), so probably not feasible. <p>Flood By reviewing the factors of countries, we noticed that the market factors of Austria and Italy are considerably lower than the market factor of Slovenia. However, Slovenia's geography and flood risk is similar to them. On the other hand, the market factor of Slovenia is in line with countries like Hungary and Czech Republic which are much more flood prone than Slovenia. Models from our brokers also suggest that 1 in 200 years' event loss is significantly lower in comparison with the Standard Formula result. Keeping the same CRESTA zone relativity factors, a 0,2% market factor would be more in line with the results of our broker models.</p> <p>Earthquake We are of opinion that the market factor for the risk of earthquake (1%) Slovenia is too high, especially compared to the neighboring country of Italy where earthquakes are more common. We've noticed that the proposed factor for earthquake risk for Italy is also being lowered from 0,8% to 0,77%. We are suggesting re-checking the viability of the market factor for the risk of earthquake for Slovenia.</p>	
6.5.1		
6.5.2		
6.5.3.1		
6.5.3.2		
6.5.3.3		
7.1		

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
7.2		
7.3		
7.4.1		
7.4.2		
7.4.3		
8.1		
8.2		
8.3		
8.4.1		
8.4.2		
8.4.3		
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		
10.4.2.4		
10.4.2.5		
10.4.3		

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
11.1		
11.2		
11.3		
11.4.1		
11.4.2		
11.4.3		
12.1		
12.2		
12.3		
12.3.1		
12.3.2		
12.3.3		
13.1		
13.2		
13.3		
13.4.1		
13.4.2		
13.4.3		
14.1		
14.2		
14.3		
14.4.1		
14.4.2		
14.4.3		
15.1		
15.2		

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
15.3		
15.4.1		
15.4.2		
15.4.3		
15.4.4		
16.1		
16.2		
16.3.1		
16.3.2		
16.3.3		
17.1		
17.2		
17.3		
17.4.1		
17.4.2		
17.4.3		
18.1		
18.2		
18.3		
18.4.1		
18.4.2		
18.4.3		
19.1		
19.2		
19.2.1		
19.2.2		

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
19.2.3		
19.2.4		
19.2.5		
19.2.6		
19.3		
19.4.1		
19.4.2		
19.4.3		
19.4.4		
19.5.1		
19.5.2		
19.5.3		
19.5.4		
19.6.1		
19.6.2		
19.6.3		
19.6.4		
19.7		
20.1		
20.2		
20.3		
20.4.1		
20.4.2		
20.4.3		
20.4.4		
21.1		

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
21.2		
21.3		
21.4		
21.5		
21.6		
21.7		
21.7.1		
21.7.2		
21.7.3		
21.8		
21.8.1		
21.8.2		
21.8.3		
21.9		
21.10		
21.11		
21.12		
21.13		
21.14		
21.15		
21.16		
21.17		
21.18		
21.19		
21.20		
21.21		

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
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		