

Actuarial Association of Europe Solvency II Project – Monthly Report for Insurance Committee

27 Oktober 2015

No consultation activities have been required since last report.

On Friday, 2 October the announced Workshop on Implementation of the ITS on Reporting was held at EIOPA's premises in Frankfurt. Siegbert Baldauf participated.

On 26 October 2015 EIOPA has published revised business documents related to the reporting and disclosure business package.

The updated information contains a modified timeline. Since 21 October 2015, the full package 2.0.1 release of the EIOPA Solvency II DPM, XBRL taxonomy and the List of Validations is available. Undertakings have to use this package for the first submission obligations of at least the first and second financial quarters. The final reports on the consultation papers CP-14-052, CP-14-055, CP-14-045 and CP-14-048 are also part of this package.

As already mentioned in the September report, EIOPA have started a new project ("supervisory review subgroup"). Goal of the working group is the description of methods suitable to assess the adequacy of the technical provision in life insurance (already done for non-life). This shall become part of a supervisory handbook to document "good practice" for national supervisors. AAE had been asked for support.

The assessment of best estimate biometric assumptions is in the scope of the project. On invitation of the working group, Siegbert Baldauf gave a presentation, on 16 October 2015 in Frankfurt. As an example, he presented relevant aspects related to and considered during the development of the mortality table DAV 2004R by the DAV (German Actuarial Association). It has been one goal to underline the relevance of data, data deficiencies and models for the development of such a table. He emphasized the need to gain a good knowledge about the structure of a particular portfolio (e.g. sociodemographic aspects, occupational pensions, government-aided products) under consideration. Options of policyholders can also influence the mortality (e.g., lump-sum payment at end of deferment period might lead to selection of risks). This information is indispensable for a reliable assessment of the best estimate assumptions. Comparable issues have to be considered when assessing other biometric risks.

EIOPA wants to finish the work on Life Technical Provisions end of February 2016.

Solvency – Project:

The Insurance committee has accepted the altered Terms of Reference. Next step will now be the identification of members for the three working groups.

Siegbert Baldauf will send a mail to the current project team and ask the chairs of the working groups to check the list of members. In the new working groups, a change from a more reactive to a proactive work is expected. This requires members with a higher commitment. The activity shown in the past can be taken as an indicator.

Based on the result of this first round, Esko Kivisaari and Siegbert Baldauf will assess the need of additional members and involve the members of the Insurance committee.

It is envisaged to prioritize the work items short-term if the new structure is established.