



Groupe Consultatif Solvency 2 Project – Monthly Report for Insurance Committee

04 January 2011

HEADLINES

European Commission acknowledges merit of Groupe proposals to simplify Solvency II implementation burden.

European Commission welcomes Groupe comments on the Actuarial function and encourages further input to draft Level 2 measures.

Introduction

This report provides an update on the progress of the Solvency 2 project. This follows the monthly teleconference call of the project team on 4 January

Working Group Activities and Progress

Life Pillar I Working Group	<ul style="list-style-type: none"> • Ashley Wilson of ZFS joins as new member • WG to contribute to public consultation on Level 2 IM • WG aim to comment on the draft Actuarial Guidelines covering : calculation of technical provisions as a whole, expenses • In process of providing observations/concerns on CP83 (to be addressed by Insurance Committee)
Non Life Pillar I Working Group	<ul style="list-style-type: none"> • Aim to provide feedback on the draft Actuarial Guidelines covering : validation, calculation of technical provisions as a whole, expenses. • Work on L3 pre-consultation on use of undertaking specific parameters • Continued support for JWG on calibration for Non-life and Health premium and reserving risk elements of SCR standard formula. • Gearing up for contribution on CAT risk module at meeting on 25 January



Solvency 2 Project Team Update

Pillar II and III Working Group	<ul style="list-style-type: none"> Working on L3 pre-consultation on Reporting, actuarial function and Governance.
Groups Working Group	<ul style="list-style-type: none"> Working On L3 pre-consultation
Internal models Working Group	<ul style="list-style-type: none"> Work started on Pre-consultation for Solvency II Level 3 Validation, Use test, Profit & Loss attribution and Calibration approximations.

Role of the Actuary & Actuarial Function

An overview of the survey of member association on the Actuarial Function and the role of the actuary was presented to Commission's Internal Market DG on 17 Dec 2010

The commission welcomes further contribution on the subject matter by Groupe Consultatif.

Work with fellow-stakeholders

Groupe Consultatif is actively working on joint contribution between industry and the profession in relation to simplification.

QIS 5

A further discussion between EIOPA and stakeholders on communication of the outcome of QIS5 is planned for end-January.

Upcoming calls/meetings:

11 January – EIOPA presentation of proposals for L3 guidelines in relation to ORSA and governance.

13 January : joint working group meeting on non-life calibration in Frankfurt

25 January: Catastrophe risk sub modules: meeting in Frankfurt

5 February: Solvency 2 Project team Monthly telecom

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