

Update from Non-Life Working Group

Input to consultations

Since the April meeting, members of the Non-Life WG provided input to the AAE's responses to EIOPA on

- Climate Risk and Pricing
- Stress testing Methodology
- Review of prudential rules for Solvency II

Workstreams

A workstream considering specific non-life issues in the design of the Solvency II Standard Formula has finished its work. It concluded that no particular non-life issues are material enough to raise as part of the current EIOPA review. Furthermore such issues as we identified would be unlikely to gain traction with EIOPA given the focus on material long-term guarantee issue currently being addressed.

There are two ongoing workstreams, on which work has been slower than planned since April:

- ***Risk mitigation Techniques***
The RMT subgroup is working on formalising a document which highlights difficulties in interpreting the regulations around RMTs
- ***USPs***
A previous AAE survey found a low take-up for Undertaking Specific Parameters in the Standard Formula. The USP workstream is investigating the barriers and practical difficulties with using USPs.

Both subgroups plan to issue a survey to member associations in Q4

Links with other AAE Working Groups

The NLWG is also represented on other WGs: Low Interest Rates, Solvency II, and Risk arising from "systemic" events.