



Groupe Consultatif Solvency 2 Project – Monthly Report for Insurance Committee

04 January 2012

HEADLINES

Probable extended Parliament consideration of Level 2 text poses a risk to the overall Solvency II implementation timetable.

During a meeting with the European Commission’s Internal Market DG it was clarified in relation to undertaking specific parameters (USPs) that USP should mean parameters specific to undertakings, rather than parameters specifically from undertakings (own experience). Other difficult Level 2 issues discussed were Countercyclical and matching premium.

Following submission of comments on the Actuarial Function and Actuarial Guidelines, Groupe Consultatif and industry stakeholders met the Financial Requirements Expert Group in Paris on 30 November where it was suggested that a better way to achieve the aim of the Actuarial Guidelines would be to include in the Level 3 guidance only a distillation of principles while supporting these with a dynamic guide to the application of the principles.

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 the 04 January 2011

Working Group Activities and Progress

Life Pillar I Working Group	❖ First draft to be expected in February on position paper on distressed sovereign risk issue and its implication on valuation.
Non Life Pillar I Working Group	❖ Comments developed on reporting templates. Next face to face meeting scheduled for end of month to address issues on latest L3 consultation USPs.



Solvency 2 Project Team Update

Pillar II and III Working Group	❖ Actively coordinating response to EIOPA's consultation papers on ORSA and Reporting templates.
Groups Working Group	❖ Contributed to pre-consultation on Solvency II models changes. ❖ Awaiting further L3 papers
Internal models Working Group	❖ Preparing submission on EIOPA pre-consultation on Solvency II models changes. ❖ Will represent GC at the next meeting of Internal Models expert groups.

Within the Insurance and Reinsurance Stakeholder Group of EIOPA, Thomas Béhar is leading the working group developing comments on reporting templates. Thomas Béhar and Seamus Creedon also are members of the working group developing comments on ORSA.

Upcoming calls/meetings:

26 January: EIOPA Internal Models Expert Group in Frankfurt.

7 March: Project team face-to-face meeting, Brussels

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