Top 7: Status of Solvency II

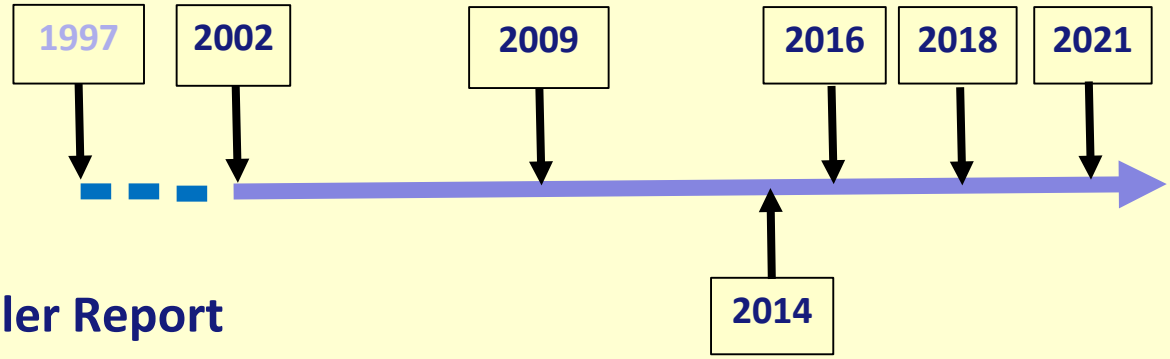
Siegbert Baldauf

11 May 2017

Reykjavik, IC meeting

Status of Solvency II
A timeline

Considerable efforts in the past → more efforts in the next years



1997: Müller Report

2002: Start Solvency II (KPMG Study)

2009: Solvency II – Directive

2014: Omnibus II - Directive

2016: Solvency II in force

2018: Review of several items of Standard formula

2021: Review of LTG - measures

Status of Solvency II

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First application of Solvency II framework after coming into force

2016:

Day-1 reporting 1 January 2016

based on year-end 2015 portfolio, to be delivered 20 May 2016

(results not published in detail, but some results incorporated in LTG report)

2017:

SFCR : Due date for Solvency and Financial Condition Report (SFCR)

20 May 2017 (20 weeks after end of business year, decreasing in future)

Status of Solvency II
Gabriel Bernardino's assessment

IVASS Conference 2016 "The Launch of Solvency II" , Rome, 3 March 2016

The review of Solvency II

Review process:

Now that Solvency II is in place we need a period of stability of the regulatory framework.

But financial regulation and supervision cannot exist independently from economic reality.

A sound process of post-evaluation of the new regime is an integral part of good regulation.

Therefore, the foreseen review is a logical and reasonable way forward. EIOPA is already preparing the relevant project plans in order to ensure a rigorous, evidence-based and transparent review of the framework.

In addition:

EIOPA is developing on a step by step basis a Supervisory Handbook setting out good risk-based supervisory practices on different areas of Solvency II.

https://www.ivass.it/media/interviste/documenti/interventi/2016/2016-03-03-sii-ber/2016-03-03_IVASS_Solvency_II_Conference.pdf

Agenda

1) Development of framework since 1 January 2016
2) Review standard formula
3) Ultimate forward rate
4) Long term guarantee measures
5) Stress test 2016
6) International capital standards (ICS)

Agenda

1) **Development of framework since 1 January 2016**
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Delegated Regulation has already been adapted Infrastructure investments

European Commission – Press release
Capital Markets Union: Making it easier for insurers to invest in infrastructure
Brussels, 1 April 2016

As a result of one of the first measures in the Capital Markets Union Action Plan, insurers will find it more attractive and cheaper to invest in infrastructure projects as of tomorrow, 2 April 2016.

COMMISSION DELEGATED REGULATION (EU) 2016/467 of 30 September 2015
amending Commission Delegated Regulation (EU) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings

Mistakes in ITS on Reporting and Disclosure

EIOPA has received a number of inputs from stakeholders addressing mistakes found in the

- **Commission Implementing Regulation (EU) 2015/2450** (ITS on Reporting)
- **Commission Implementing Regulation (EU) 2015/2452** (ITS on Disclosure)

of 2 December 2015 , mostly related to the Instructions (Annexes 2 and 3).

These legal texts (in this case the ITS) are binding and prevail over other non-binding tools.

EIOPA had organized a Public Event on Reporting and Disclosure to discuss necessary changes (19 April 2017)
"*In the area of reporting, legal certainty and correctness of the legal texts are crucial, and facilitate the reporting as well as ensure the quality of the reporting.“ (quote from invitation)*

Timeline, relevant provisions and the process have been explained in this event.
The meeting was followed by a 3 week public consultation on the proposed adaptations. (Deadline 11 May 2017).

Next: The **release of version 2.2.0 of the Taxonomy** is scheduled for July 2017. Correcting the identified mistakes should be possible until then.

Review required for standard formula and Long Term Guarantee measures

Source: Delegated Regulation, Citation 150

In order to ensure that the standard formula continues to meet the requirements of Article 101 of the Directive the Commission will review the **methods, assumptions and standard parameters** used when calculating the SCR with the standard formula, …

Review should be performed before December 2018 considering experiences made

Source: Directive Article 77f

1. **EIOPA** shall report to the European Parliament, the Council and the Commission about the impact of the application of LTG measures until 1 January 2021 on an annual basis. Information to be provided by NSAs.
2. **EIOPA** shall submit an opinion on the assessment to the Commission in 2020.
3. **Commission** shall submit a report to the European Parliament and the Council by 1 January 2021 or earlier based on this opinion.
4. **Commission** report shall be accompanied by legislative proposals, if necessary.

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Directive, Art. 101 (extract)

Calculation of the SCR

The SCR shall be calculated on the presumption that the undertaking will pursue its business as a **going concern**. 101(2)	It shall correspond to the Value-at-Risk of the basic own funds of an undertaking subject to a **confidence level of 99.5 % over a one-year period**. 101 (3)	The SCR shall cover at least the following risks: • **non-life underwriting risk;** • **life underwriting risk;** • **health underwriting risk;** • **market risk;** • **credit risk;** • **operational risk.**

Several methods possible to calculate the SCR

Complexity

~~Full internal model~~

Standard formula with partial internal modelling for certain risks

Standard formula with undertaking specific parameters (USP) for certain risks only

Standard formula

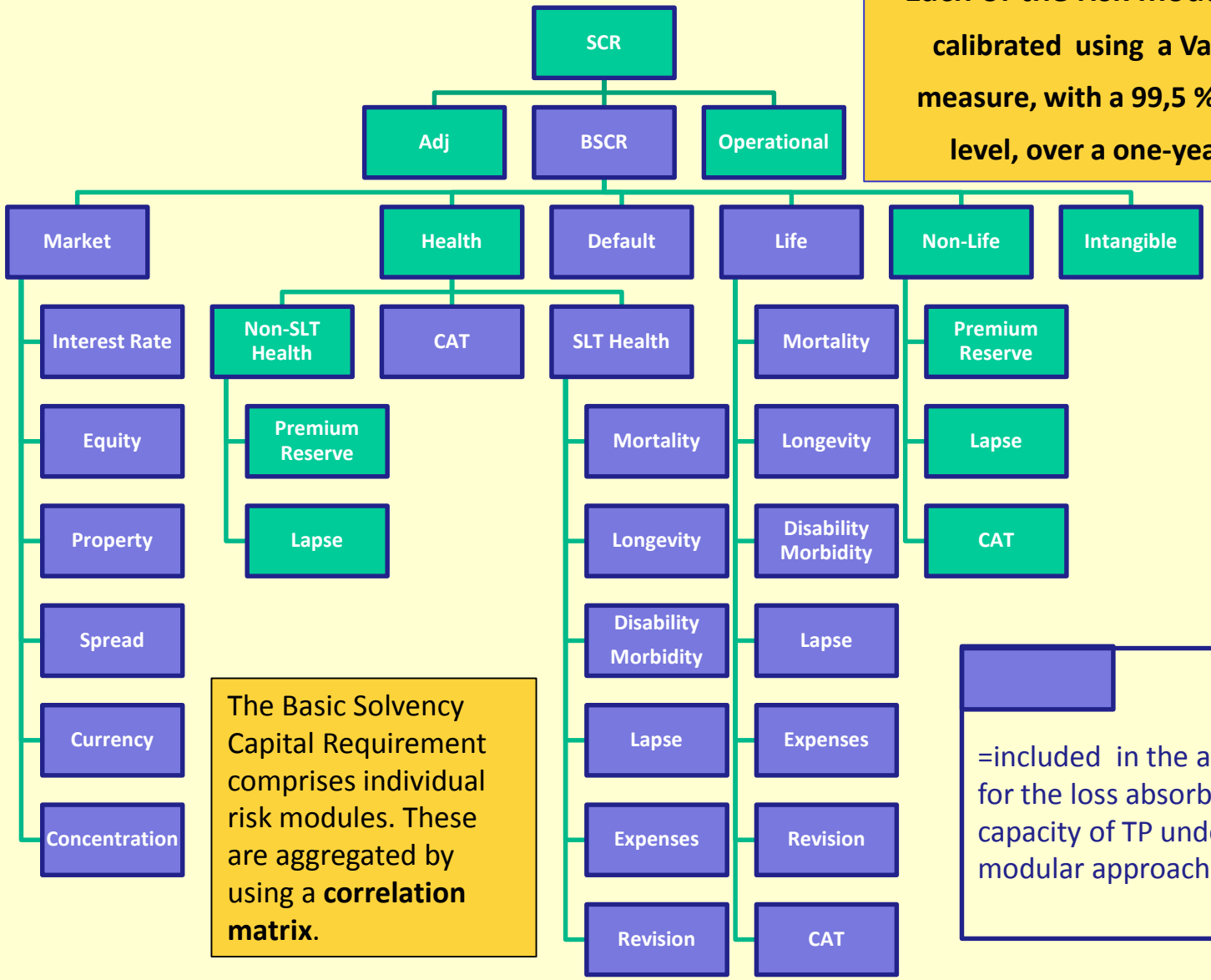
Standard formula with simplifications

Risk Sensitivity

IMPACT ASSESSMENT REPORT Accompanying the proposal for COMMISSION DELEGATED REGULATION (EU) Supplementing directive 2009/138/EU of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II)

SCR Standard formula: Due consideration of stress calibration required

"Each of the risk modules shall be calibrated using a Value-at-Risk measure, with a 99,5 % confidence level, over a one-year period."



The Basic Solvency Capital Requirement comprises individual risk modules. These are aggregated by using a **correlation matrix**.

=included in the adjustment for the loss absorbing capacity of TP under the modular approach

Standard formula calibration challenging

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Challenge for EIOPA

EIOPA had to prescribe a stress parameters for risk submodules ensuring the required 99.5% confidence level over a one-year time horizon.

These factors have been derived from studies available at that time. Additional information came from quantitative impact studies (QIS).

A list of references can be found in EIOPA's underlying assumption paper.

EIOPA -14-322: **The underlying assumptions in the standard formula for the Solvency Capital Requirement calculation**

"A standard formula is, by its very nature and design, a standardised calculation method, and is therefore not tailored to the individual risk profile of a specific undertaking. For this reason, in some cases, the standard formula might not reflect the risk profile of a specific undertaking and consequently the level of own funds it needs."

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SCR Review process

EU Commission has requested advice from EIOPA covering three areas:

1) Proportionate and simplified application of the requirements
2) Removal of unintended technical inconsistencies
3) Removal of unjustified constraints to financing

Area 1 and 2 have been covered by the Request for Advice from 18 July 2016

Area 3 is covered by the Request for Technical Advice from 22 February 2017

EIOPA's advice shall be delivered by 28 February 2018

Discussion Paper on the review of specific items in the Solvency II Delegated Regulation

5 December 2016: EIOPA publishes Discussion Paper on the review of specific items in the Solvency II Delegated Regulation (EIOPA-CP-16/008)

3 March 2017: Deadline for comments

In addition:

December 2016 to March 2017: Call for data (concerning esp. Calibration of stresses for natural catastrophe risks and for some lines of business)

EIOPA defined **2 buckets** for response to the Commission:

Bucket 1: Part 1 of their advice to Commission delivered by end of October 2017

8 weeks consultation planned July and August 2017

Bucket 2: Part 2 to be delivered by end of February 2018

8 weeks consultation planned November and December 2017

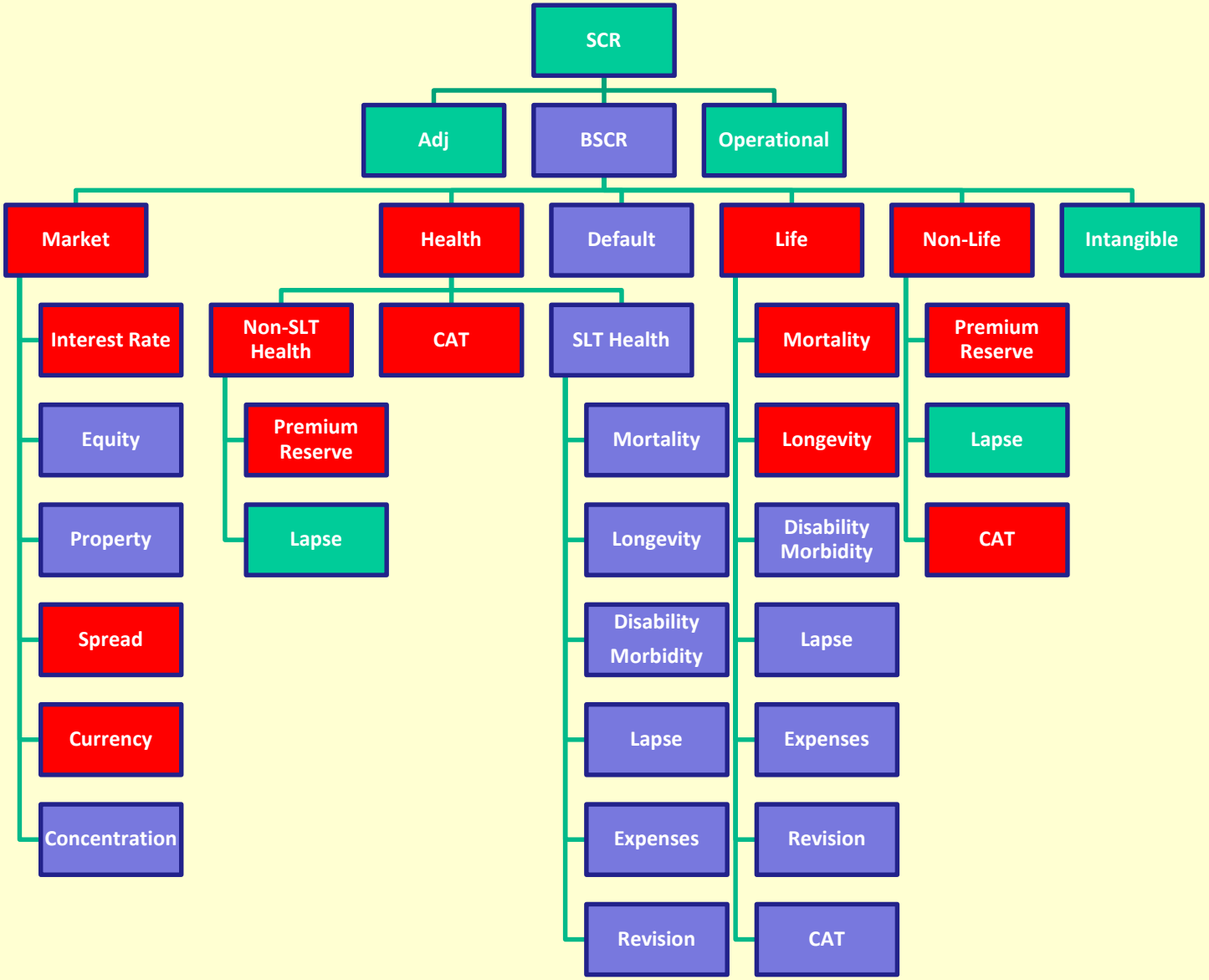
Next steps: 23 May 2017: Roundtable on SCR – Review

EIOPA: Structure of the discussion paper

Structure: 21 sections reflect modular structure of SCR standard formula

Sections 1 – 4	Overarching aspects
Sections 5 – 6	Non-life underwriting risk submodule
Sections 7 – 9	Non-life and health catastrophe risk
Section 10	Life underwriting risk
Section 11	Undertaking specific parameters (USP)
Sections 12, 13	Counterparty default risk
Sections 14-17	Market risk module
Section 18	Loss absorbing capacity of deferred taxes
Section 19	Risk margin
Sections 20,21	Own Funds

SCR Standard formula: Review required



Bucket 1 and Bucket 2 of 1. Call for Advice

Bucket 1 (Deadline: October 2017)

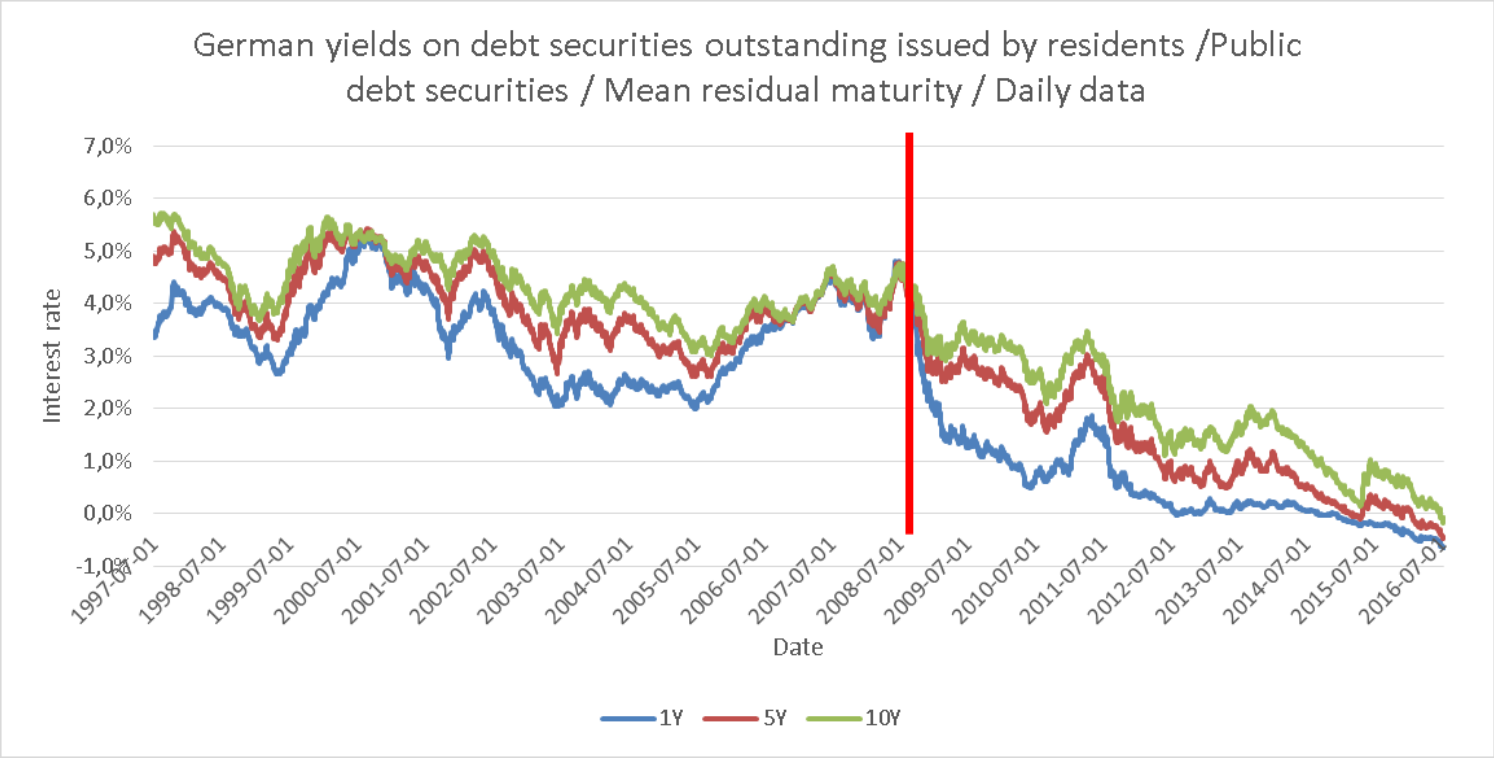
- Overarching aspects
- USP
- Deferred taxes
- Risk margin

Bucket 2 (Deadline February 2018)

- Non-Life underwriting risk
- Non-Life and health: catastrophe risk
- Life Underwriting risk
- Market risk module
- Counterparty default risk
- Own funds

Criterion for subdivision: Reported data from undertakings (Reporting, SFCR) needed. Available end of May 2017

Example: Interest rate risk module. Calibration is currently hardly adequate



Example: Interest rate risk
Delegated Regulation Art. 166, 167

1. The risk of a decrease in the term structure of interest rates is a relative **instantaneous decrease in basic risk-free interest rates i**n accordance with the following table:

Maturity (in years)	Decrease
1	75 %
2	65 %
3	56 %
4	50 %
…→	
20	29 %
90	20 %

The decrease shall be linearly interpolated for maturities not specified.

2. Notwithstanding paragraph 1, for negative basic risk-free interest rates the decrease shall be nil.

<u>Risk of increase in term structure of interest rates (Art. 166).</u>

Similar table. But minimum increase of 1% required

Discussion Paper on the review of specific items in the Solvency II Delegated Regulation

EIOPA's Timetable: https://eiopa.europa.eu/regulation-supervision/insurance/scr-standard-formula-review

End of 2016 until beginning of 2017

Calling for information not collected via the reporting templates

Public consultation of a draft discussion paper on the call for advice

July 2017 until February 2018

Analysing annual reporting data only available as of July 2017

Consulting relevant stakeholders

Drafting final technical advice

End of October 2017

Providing technical advice for items where annual reporting data is not required subject that these elements can be amended in EIOPA's final technical advice to be delivered end of February 2018

At the latest on 28 February 2018

Providing EIOPA's final technical advice to the European Commission

EU-Commissions issued further Request for Technical Advice

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22 February 2017: EU – Commission issued **REQUEST TO EIOPA FOR TECHNICAL ADVICE ON THE REVIEW OF SPECIFIC ITEMS IN THE SOLVENCY II DELEGATED REGULATION AS REGARDS UNJUSTIFIED CONSTRAINTS TO FINANCING (**Regulation (EU) 2015/35**).**

Advice to be delivered by **28 February 2018.**

26 April 2017: EIOPA published consultation paper EIOPA-CP-17/003, a Call for Evidence relating to the **Request by the European Commission to EIOPA for Technical Advice on the treatment of unlisted equity and debt without an ECAI rating in the standard formula**

The consultation period ends on **24 May 2017.**

Next Steps: 8 June 2017: Roundtable with stakeholders

EIOPA will prepare draft advice to the European Commission

8 weeks consultation planned for November and December 2017

Advice send to EIOPA end of February 2018

EIOPA's work programme 2017 - 2019

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Strategic Objective 2: to improve the functioning of the EU internal market in the field of pensions and insurance

A technically sound and participatory review of the Solvency II insurance regulation by EIOPA.

Targets

- 2017: EIOPA's proposals for changes to Solvency II implementing measures are supported by evidence received in the formal consultation process.
- 2018: Timely and high quality advice delivered to the Commission on the changes to Solvency II implementing measures.
- 2019: EIOPA technical advice provides a sound basis for regulatory review

Rationale

This is a way of indicating that there is agreement with key stakeholders regarding the extent of improvements/ interventions to the regulatory framework for insurance and that EIOPA is addressing them in a timely fashion, ensuring a sound and prudent regulatory framework.

Agenda

1) Development of framework since 1 January 2016
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Ultimate Forward Rate:
EIOPA defined methodology to derive the UFR

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Press release April 5th 2017

EIOPA SETS OUT THE METHODOLOGY TO DERIVE THE ULTIMATE FORWARD RATE

- *A clearly specified methodology for deriving the Ultimate Forward Rate (UFR) is a legal requirement*
- *The principles of the methodology are defined in the Solvency II legislation*
- *The methodology will be applied for the first time at the beginning of 2018*
- In line with the methodology, the calculated value of the UFR for the euro is 3.65%
- *Annual changes to the Ultimate Forward Rate will not be higher than 15 basis points*
- *The Ultimate Forward Rate applied to the euro will therefore decrease in 2018 from 4.2% to 4.05%*

https://eiopa.europa.eu/Publications/Press%20Releases/2017-04-05%20UFR%20Press%20Release.pdf

Ultimate Forward Rate

Consultation Paper on the methodology to derive the UFR and its implementation (EIOPA CP16/03 6 April 2016)

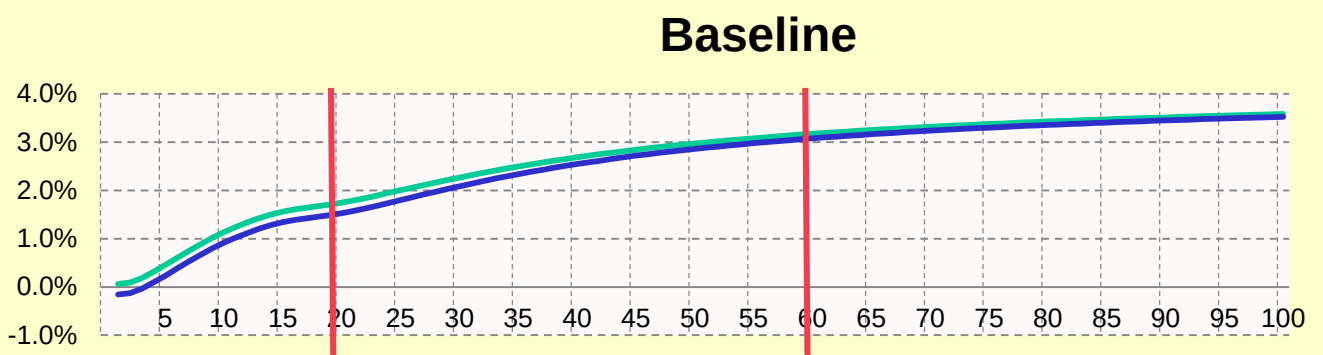
EIOPA did not take an immediate decision after the end of the consultation period (19 July 2016).

7 November 2016 EIOPA issued a data request (EIOPA-RFR-16/010, **Technical Specification of the Information Request on the UFR**) to assess the impact of a reduction of the UFR. Two scenarios have been tested: Reduction of the UFR by 20 bps and by 50 bps.

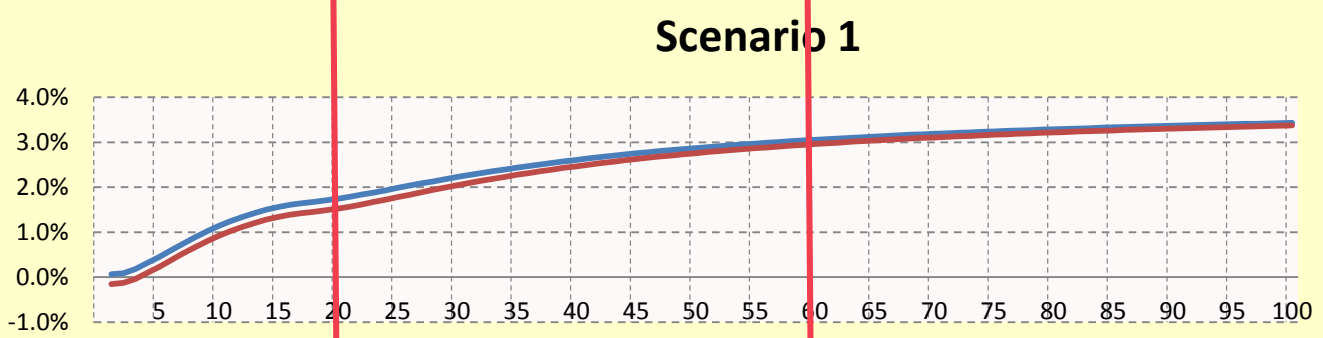
31 December 2016	**Data delivered to NSAs**
2-13 January 2017	**Validation by NSAs**
2. Half of January until mid February 2017	**Data analysis by EIOPA**
March 2017	**EIOPA Decision on the methodology to derive the UFR**

EIOPA Information request on reduction of UFR
Example: Germany

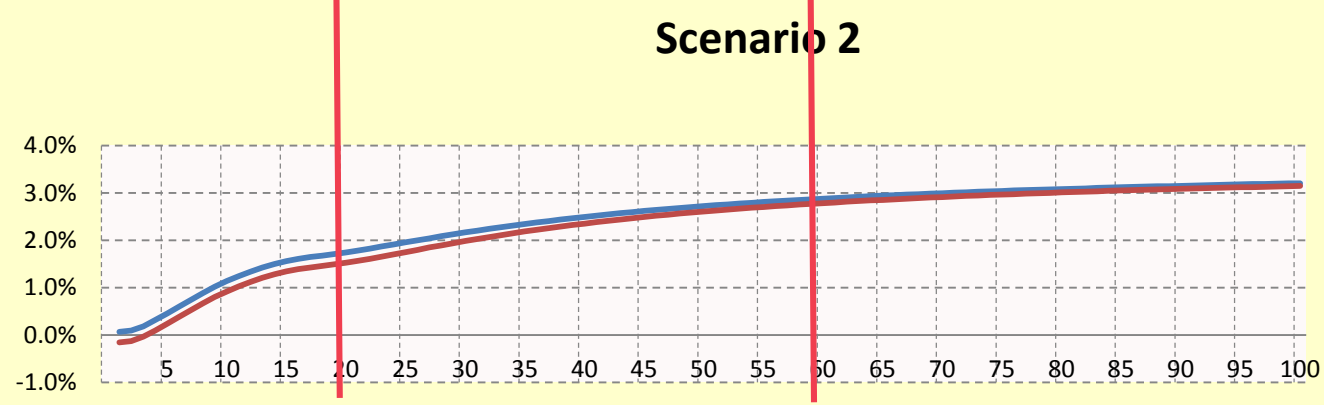
UFR
Interest rate 60 years



UFR 4.2%
3.079%



UFR 4.0%
2.962%



UFR 3.7%
2.787%

Result of the Impact analysis

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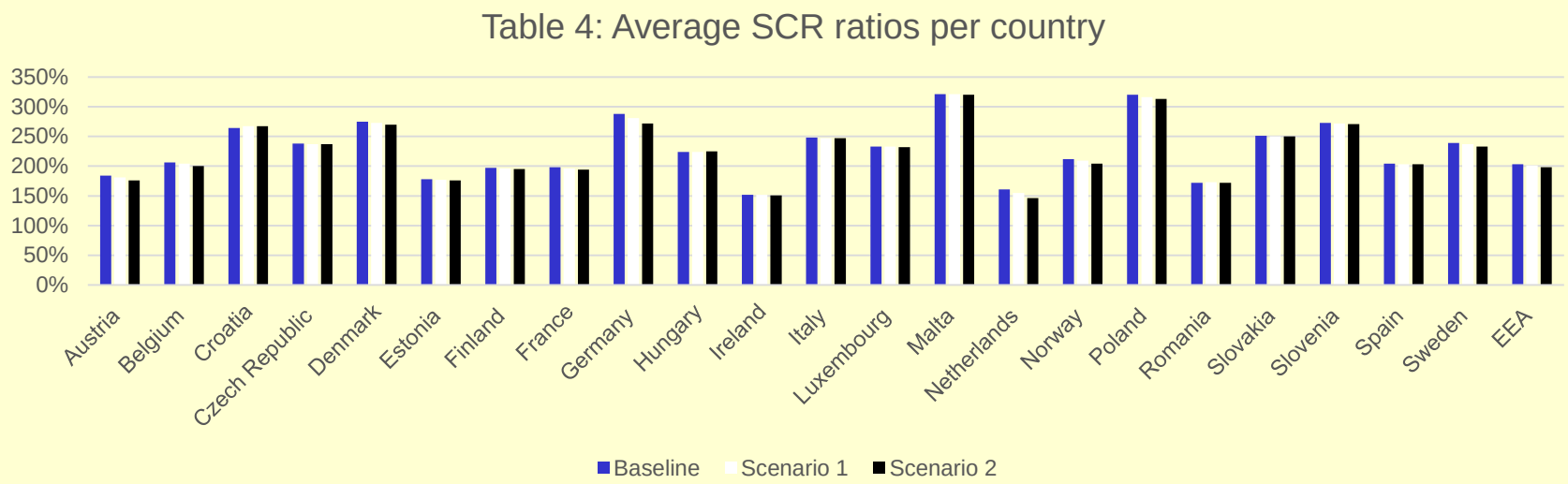
How does the new rate impact the European insurers? Could you provide details according to countries?

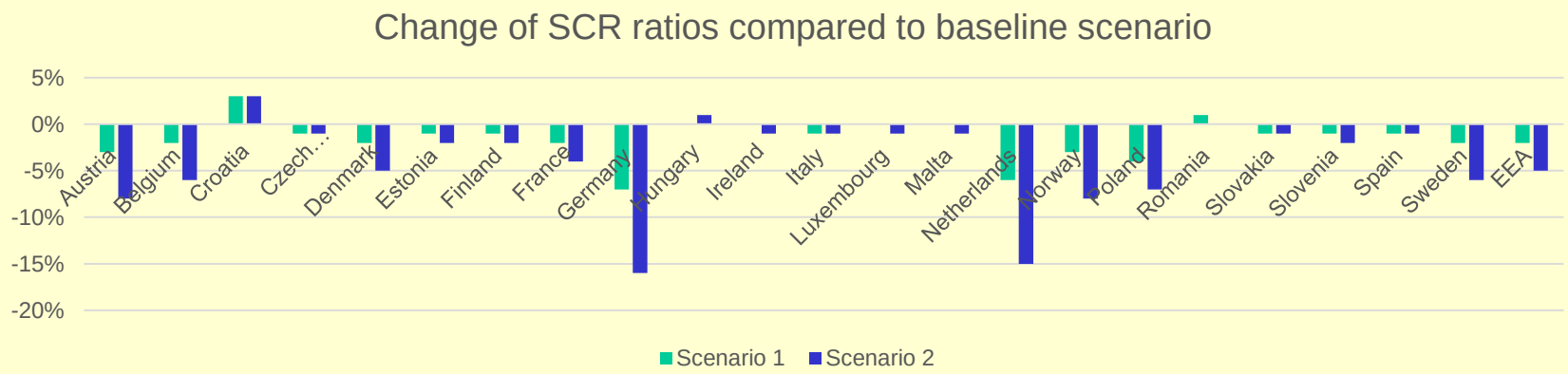
- ✓ EIOPA collected information from 336 European insurance and reinsurance undertakings on the impact of changes of the UFR on their solvency position.
- ✓ **The impact of UFR changes is small.**
- ✓ The average Solvency Capital Ratio changes from 203% to 201% if the UFR is changed by 20 basis points.
- ✓ Insurance and reinsurance undertakings comply with the capital requirements when their Solvency Capital Ratio is above 100%.
- ✓ The analysis shows that impact of the UFR changes is manageable in all national markets.
- ✓ EIOPA published the results of the impact analysis together with the UFR methodology.

EIOPA: Frequently Asked Questions & Answers THE ULTIMATE FORWARD RATE 5 April 2017

Result of the Impact analysis

Countries without an impact on baseline SCR omitted





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EIOPA LTG Report

Report on long-term guarantees measures and measures on equity risk 2016 (EIOPA-BoS-16/279)

16 December 2016 EIOPA have published their first LTG - Report. Until 1 January 2021 EIOPA shall publish such a report annually. Overview:

- **901 insurance and reinsurance undertakings** in 24 countries with a European **market share of 69 %** used at least **one of the measures**.
- **852 undertakings** with a European **market share of 61%** used the **volatility adjustment.**
- **154 undertakings** with a European **market share of 24%** applied the **transitional on technical provisions**.
- **38 undertakings** with a European **market share of 16%** used the **matching adjustment.**
- The **transitional on risk free interest rate** was used by **six undertakings** and the **duration-based equity risk sub-module** by **one undertaking**.

EIOPA LTG Report

Use of LTG measures differs considerably across countries

- The VA is used by **852 undertakings in 23 countries** (AT, BE, BG, CY, CZ, DK, FI, FR, DE, GR, HU, IE, IT, LI, LU, NL, NO, PT, RO, SK, ES, SE and UK).
- The TTP is applied by **154 undertakings in 12 countries** (AT, BE, BG, DE, ES, FI, FR, GR, LI, NO, PT and UK).
- The MA is applied by **38 undertakings in 2 countries** Spain (15 undertakings) and the UK (23 undertakings) apply the MA.
- The TRFR is applied by **5 undertakings in 4 countries** (IE, GR, DE, FR).
- The DBER is used by **one undertaking in France** as at 1 January 2016. 11 NSAs reported that the duration-based equity risk submodule is not implemented in their national legislation (CZ, DK, FI, DE, IS, LT, LV, NL, PL, SK and BG)

EIOPA Information request on LTG measures

EIOPA requests insurance and reinsurance undertakings from the European Economic Area and subject to Solvency II to provide the following information in the context of EIOPA's 2nd Long-Term Guarantees (LTG) Report due in 2017:

- *Impact of the symmetric adjustment mechanism to the equity risk charge on the financial position of undertakings*
- *Impact of the extrapolation of risk-free interest rates on the financial position of undertakings*
- *Losses due to bond defaults and downgrades of bonds in matching adjustment portfolios*

Insurance undertakings are requested to complete an Excel template and submit it to the respective responsible ***National Supervisory Authority****. The template should be filled in according to the* ***instructions in the*** *technical specifications and taking into account the technical information.*

Extrapolation: 3 Scenarios requested

The third part relates to the three main parameters in the extrapolation of the risk-free interest rate curve used to value technical provisions:

- the value of the last liquid point (LLP)
- the minimum convergence point
- the value of the ultimate forward rate (UFR)

Timeline

6 March 2017	Launch of the information request
15 June 2017	Deadline for participants to submit results to their national supervisory authorities
15 June to 16 July 2017	Validation of submissions by national supervisory authorities
16 July 2017	Deadline for reporting of information from national supervisory authorities to EIOPA

Extrapolation: 3 Scenarios requested, depending on materiality

The materiality threshold for the impact of extrapolation is defined as follows:

$\frac{\sum_{t>LLP} CF_t}{\sum_t CFt} \leq 10\%$ materiality threshold not exceeded

$\frac{\sum_{t>LLP} CF_t}{\sum_t CFt} > 10\%$ materiality threshold exceeded

Where CF_t represent the best estimate cash flows *t* years from the reporting date (see para. 36)

The amount of cash flows should be calculated as the difference between the sum of cash out-flows and the sum of cash in-flows.

Extrapolation: 3 Scenarios requested

37. Where the threshold as defined above is exceeded, information on the impact of three scenarios on the financial position of the undertaking is collected. The scenarios relate to the main parameters of the extrapolation of risk-free interest rates: the last liquid point (LLP), the convergence point being the maturity at which the extrapolated forward rate has reached the ultimate forward rate (UFR) up to an immaterial amount, and the UFR:

- Scenario 1: Increase of the LLP for the euro from 20 to 30 years. For currencies other than the euro the risk-free interest rates are unchanged.
- Scenario 2: Increase of the minimum convergence point from 60 to 90 years for all currencies except the Swedish krona. For the Swedish krona the convergence point changes from 20 years to 50 years
- Scenario 3: Decrease of the UFR for all currencies by 100 basis points

The convergence point is calculated as the larger of 60 years and LLP+40 years. The scenario increases the convergence point to the larger of 90 years and LLP+40 years.

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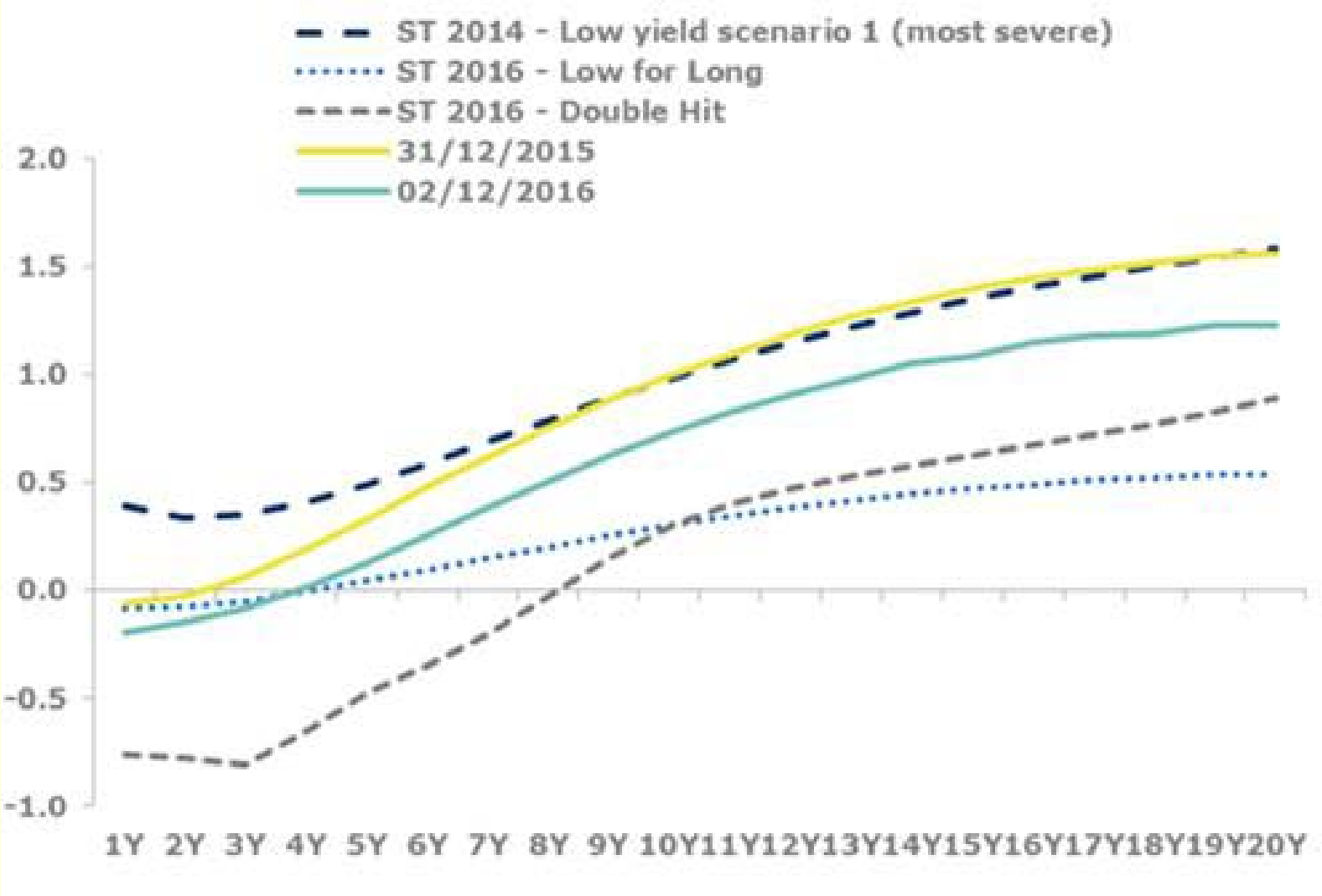
EIOPA Stress Test Euro Swap Curve



EUR swap curve (in per cent)

EIOPA Stress Test

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2016 EIOPA Insurance Stress Test Report

- Baseline – Scenario (consistent with day-one reporting 1 January 2016)
- Solvency ratio (page 24 of the report)
  - With LTG and transitionals: 196%,
  - Without LTG and transitionals: 136 %).
- Double-hit – Scenario: (page 28 of the report)
  - Asset over Liabilities reduced by 28.9% (158.99 billion Euro)
- Low for long – scenario: (page 28 of the report)
  - Asset over Liabilities reduced by 28.9% (99.09 billion Euro)

In contrast to 2014 the report does not show duration gaps.

Impact of the scenarios on assets, liabilities and excess of assets over liabilities in billion euros

The impact of the stress scenarios differs considerably between countries
Example Germany: Low for long causes significantly higher loss

Impact of stress scenarios		Assets (billion €)		Liabilities (billion €)		Assets over Liabilities (billion €)	
Double-hit	EU	-608.47	-9.7%	-449.49	-7.58%	-158.99	-28.9
	D	-73.55	-8.6%	-46.78	**-6.0%**	-26.76	-36.3%
Low for long	EU	282.38	4.5%	381.47	6.7%	-99.09	-18%
	D	61.65	7.2%	89.54	11.5%	-27.89	-37.8%

EIOPA Stress Test

No duration gap is shown. Duration of assets and liabilities is investigated separately.

Liabilities (page 60 of the report)

Macaulay duration of Liabilities: EU average 13.27 (Germany 21.4 (highest value)).

To assess the interest rate sensitivity of the liabilities the effective duration is calculated. The possibility to react on changes in interest rates (e.g. changes in surplus participation) can be considered. The effective duration of liabilities for the EU is 8.23 (Germany 8.67).

EIOPA has some concerns relating to the liability cash flows:

> *The current exercise raised questions on the consistent modelling applied to determine the changes in the liabilities cash flows under the low-for-long scenarios.*

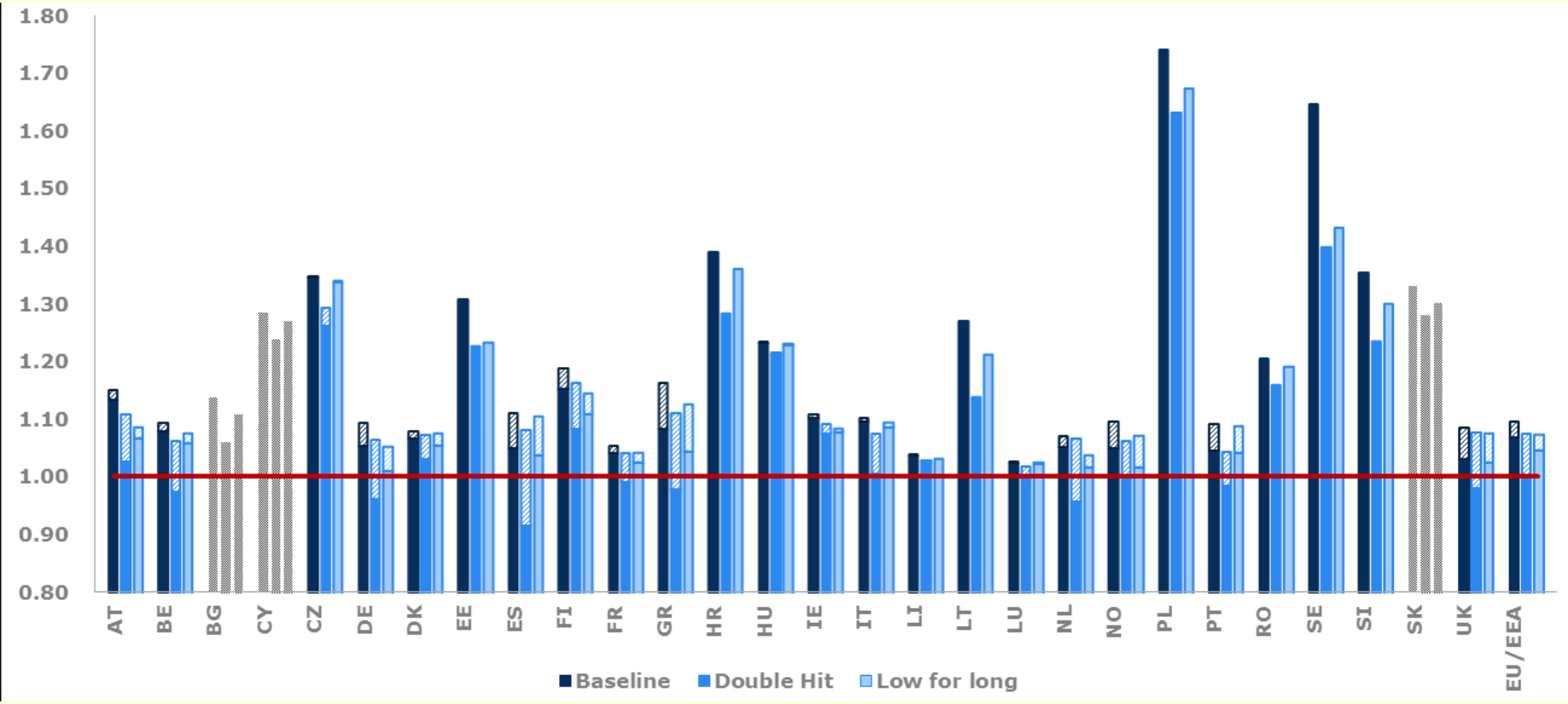
A good quality of the cash flows is an indispensable requirement for such calculations.

Assets (page 36 of the report):

Fixed income assets : Modified duration 7.85

EIOPA Stress Test

Figure 31: Country AoL ratio pre and post stress. Shaded area shows the effect of the LTG and transitional measures



EIOPA Stress Test: Recommendations (1)

In addition to the stress test report EIOPA published recommendations for the national supervisor. (**EIOPA's Insurance Stress Test 2016 Recommendations** EIOPA 16/297 15-12-2016)

Recommendation 2 (excerpt)

Considering the principle of proportionality supervisors are recommended to take the following actions as mid-term measures:

a) Review and assess undertakings' models regarding the behaviour of management and policyholders, including the legal capacity and willingness to take the decisions that are modelled. Particular attention should be given to those dynamic models that can have significant effect on the value of the best estimate of technical provisions.

b) The clauses of the guarantees, their typologies, and the optionalities they carry should be analysed to assess the value of the guarantees which companies are exposed to, the associated risks and whether the valuation of the technical provisions can be considered proportionate and prudent.

EIOPA Stress Test: Recommendations (2)

Recommendation 3 (excerpt)

29. NSAs are recommended to take the following actions as a short term measure.

a. Assess the importance of the stress test impact for the group, based on the vulnerabilities (loss of excess of assets over liabilities) at the solo level. In this context, the measures that groups are able to take to support their related undertakings, should be assessed.

b. As part of the work of the Colleges of Supervisors, collect information on the impact and potential support at group level, considering management actions as well as diversification effects. Group supervisors are recommended to apply the proportionality principle in deciding the scope of this assessment.

Information request under Article 35 of the Regulation

- 30. In relation to Recommendation 3, National Supervisory Authorities responsible for group supervision are requested to inform EIOPA by **31 October 2017** on the impact that the results of the stress test participating undertakings would have at group level and the possible actions taken.

Stress test results in ESAs Spring Report on risks and vulnerabilities in the EU financial system

In ESAs Joint Committee report on risks and vulnerabilities in the EU financial system (20 April 2017) stress test results are considered:

Furthermore, the results also confirmed that while the LTG and transitional measures provide a certain financial stability cushion, supervisory vigilance is required in order to avoid a misestimate of the risks due to the longer-term type of concerns implied by the scenarios tested.

https://eiopa.europa.eu/Pages/News/ESAs-Highlight-Main-Risks-for-the-EU-Financial-System.aspx

Stress test results in ESAs Spring Report on risks and vulnerabilities in the EU financial system

In ESAs Joint Committee report on risks and vulnerabilities in the EU financial s system (20 April 2017) stress test results are considered:

- On the **baseline (pre-stress),** results indicated that on an aggregated level undertakings were adequately capitalised with an overall SCR ratio of 196%. Without the Long-Term-Guarantee (LTG) and transitional measures, however, the overall SCR ratio would fall to 136% (32 undertakings below 100% representing 26% of the total assets).
- Overall, the **"double-hit"** has a negative impact on the undertakings balance sheets of close to EUR 160 billion (-28.9% of the total excess of assets over liabilities) with more than 40% of the sample losing more than a third of their excess of assets over liabilities. In the absence of LTG and transitional measures, such impact would apply to almost 70% of the sample.
- The **"low-for-long"** resulted in a fall in the excess of assets over liabilities of about EUR 100 billion and undertakings representing 16% of the sample would lose more than a third of their excess of assets over liabilities (25% if LTG and transitional measures are absent).

https://eiopa.europa.eu/Pages/News/ESAs-Highlight-Main-Risks-for-the-EU-Financial-System.aspx

Agenda

1) Development of framework since 1 January 2016
2) Review standard formula
3) Ultimate forward rate
4) Long term guarantee measures
5) Stress test 2016
6) **International capital standards (ICS)**

IAIS International capital standards Timetable

actuarial association of europe

IAIS: Risk-based Global Insurance Capital Standard Version 1.0

Public Consultation Document 19 July 2016

Comments had been due by 19 October 2016

Table 1. ICS and Field Testing Timetable

DATE		Milestone
May 2016		Launch of 2016 Quantitative Field Testing
July 2016		Publication of second ICS CD
Aug 16		Phase 1 Field Testing submissions due
September/October 2016		Phase 2 Field Testing submissions due
October 2016		Comments due on second ICS CD
Mid-2017		Adoption of ICS Version 1.0 for confidential reporting
September/October 2017		Data due for 2017 confidential reporting process
May/June 2018		Launch of 2018 confidential reporting process
Mid-2018		Publication of comprehensive ComFrame consultation including ICS Version 2.0
September/October 2018		Data due for 2018 confidential reporting process C omments due on ICS Version 2.0 and ComFrame consultation
April/May 2019		Launch of 2019 confidential reporting process
August/September 2019		Data due for 2019 confidential reporting process
IAIS 2019 General Meeting		Adoption of ComFrame, including ICS Version 2.0

EIOPA's work programme 2017 - 2019

Pursuit of Solvency II as the practical implementation of the International Association of Insurance Supervisors' (IAIS) International Capital Standard.

Target

- 2017: Final ICS 1.0 and emerging outcomes from the review of Solvency II capital requirements to be in line.
- 2018: Ongoing development of the ICS remains in line with Solvency II principles: market consistency and risk-based.
- 2019: IAIS international capital standard to be published in 2019 is in line with the principles of Solvency II: market consistency and risk-based.

Rationale

Demonstrates the role of EIOPA in the development of an international capital standard on a global level and reducing burden for undertakings to cope with several layers of regulations.