

Status Report on the Evolution of Solvency II and the Actuarial Function

Status date: September 2016

Country: GERMANY

1. Professional association's initiatives:

The DAV **Enterprise Risk Management Committee** continues its activities and aims at supporting the actuarial and risk management function holders. Apart from several working groups dealing with the standard formula and internal models in life and non-life insurances, there are working groups on capital management, operational risks, limit systems and reporting requirements of the AF and RMF (including ORSA).

A **Solvency II coordination** organizes all activities of the above mentioned working groups and the DAV representatives in the working groups of the AAE Solvency II project. The coordination group meets in monthly conference calls to screen relevant consultation papers and allocate tasks to the working groups in charge.

<u>Item</u>	<u>Description</u>	<u>Deadline / Status</u>
AF and RMF holders meeting	The DAV ERM Committee invited the actuarial and risk management function holders from all over Germany to a joint meeting in November 2016. It is intended to establish regular meetings of this group of people so that they keep informed about current developments and can exchange experience and best practice.	in preparation
Technical paper on LTG measures	DAV developed a technical paper on the LTG measures relevant to Germany (transitional measure on technical provisions and volatility adjustment). It also discusses measures to improve the SCR coverage. The paper was adopted and published in June 2016.	published

2. Position papers

[Position papers, if any, since the last report]

<u>Item</u>	<u>Description</u>	<u>Deadline / Status</u>
Position paper on UFR consultation	DAV commented on EIOPA's consultation concerning the methodology to derive the ultimate forward rate. The DAV comments were sent to EIOPA in order to complement, from a Germany point of view, the AAE comments.	published
Position paper on auditor's report ordinance	In Germany, the auditor has to verify the Solvency II balance sheet. Therefore, the German government published a draft specifying the new requirements concerning the auditor's report. DAV commented on this draft and submitted its opinion to the government.	published

3. Supervisor actions & positions

<u>Item</u>	<u>Description</u>	<u>Deadline / Status</u>
German supervisor's further clarifications on SII requirements	The German supervisor is preparing further clarifications on some Solvency II requirements for the German market concerning governance, key functions, risk management, own funds etc. DAV had the opportunity to comment on a first draft. The final draft will shortly be made available for public consultation.	on hold

4. Expectations from the AAE and its Solvency II Project

<u>Item</u>	<u>Description</u>	<u>Deadline / Status</u>