

Actuarial Association of Europe Solvency II Project – Monthly Report for Insurance Committee

14 September 2017

EIOPA publication

SCR – Review: First set of advice

Consultation Paper on EIOPA’s first set of advice to the European Commission on specific items in the Solvency II Delegated Regulation (EIOPA-CP-17/004 04 July 2017)

AAE has submitted the Comment template to EIOPA on 31 August 2017. In consideration of all comments, received EIOPA will now develop their advice to the European Commission to be submitted by 31 October 2017.

Siegbert Baldauf thanked all for their reliable support and the good quality of the contributions to this consultation.

Forthcoming: SCR – Review: Second set of advice

The next consultation concerning the second set of advice is scheduled for November / December 2017. In preparation for this exercise, EIOPA has scheduled a roundtable meeting in Frankfurt at 27 September 2017. The number of participants per organisation is limited to three. ((IRSG, AAE, AEIP, AMICE, CFO Forum, CRO Forum, IE, RAB).

Invited stakeholders have been asked previously to indicate those items with highest priority from the list below.

1	Premium and reserve risks (recalibration and volume measure for premium risk)
2	Mortality and longevity risks (recalibration)
3	Counterparty default risk (simplifying and modifications for qualifying counterparties, EMIR and cleared derivatives)
4	Simplifying the look-through approach
5	Currency risk at group level
6	Interest rate risk
7	Unrated bonds and loans and unlisted equities

8	Market risk concentration
9	Loss-absorbing capacity of deferred taxes
10	Risk Margin
11	Own funds (restricted Tier 1 and comparison with banking framework)

Lauri Saraste, Clemens Frey and Siegbert Baldauf registered for this meeting. We indicated the highlighted numbers 1, 6 and 9 from the list as our highest priorities. Nevertheless, we expect most of the items to be discussed in Frankfurt.

Next steps for the project team:

We expect EIOPA to prepare meeting documents for the roundtable meeting. These documents together with the results of the roundtable meeting might already allow an insight in EIOPA's planned advice.

This second set of advice will deal with some truly actuarial issues; especially interest rate risk, premium and reserve risk, cost of capital rate, Therefore, AAE should aim for high-quality comments.

To achieve this goal, project team should be prepared to analyse this meeting document as soon as this is available. Participants of the meeting will forward this document together with meeting notes as soon as possible after the roundtable.

Challenges (early warning):

- Christmas and year-end holidays affect the consultation period. It will be indispensable to have a tight timeline and a strong commitment to this timeline.
- Considering number and importance of the issues, it might be necessary to have face-to-face meetings towards end of November and mid-December. This could also be helpful for the working groups as soon as we know more about EIOPA's the planned proposals.
- More details will be known until the next monthly call in October.
- Siegbert Baldauf will present these challenges in Copenhagen to the Insurance committee. All member organisations are invited to contribute. The wide-ranging list of issues might contain facts being of particular for all of them.

IC – meeting in Copenhagen 21 / 22 September 2017

Next call: Thursday, 12 October 2017, 9:30 – 10:30