	General comment	Equivalence/Passporting	Internal Model change/SF	Matching Adjustment	Volatility Adjustment	Application of Discretion	Pillar III and PRA reporting requirements	Risk Margin	Transitional Measures	Accounting Standards
IFoA	Support broad aims of SII, but range of practical difficulties, either from design or way implemented in UK.	If the UK were to deviate too far from SII, could lose equivalence. Equivalence could be key in maintaining position of London Market in GI.	Model approval process onerous. Allow capital add-ons, amend SF.	MA over-engineered and hurting annuity business Asset ineligibility constraining and causing micro-management.	Artificial and of limited effect. Should be dynamic and have emergency approval.	SII effectively rules-based. Makes discretion/ expert judgement harder to apply.	Reporting requirements will increase costs and operational strains. Corresponding benefits unclear.	Complex and very sensitive to interest rates, hurting annuity business. Could reduce cost of capital rate, treat longevity risk hedgeable.	Reset measures useful but process cumbersome Ability to anticipate resets would smooth solvency distortions.	SII/ IFRS 17 consistency not clear until design of latter finalised.
Prudential	PRA's interpretation of Solvency II has been more conservative than other Supervisory Authorities.	UK risks being subject to a regime over which the UK authorities have no control.	Standard models do not adequately reflect the specific risk dynamics of complex or international firms. A more rapid response on model change approvals and reduced requirements for model validation would be welcome.	PRA could take a more flexible approach e.g. asset eligability.	PRA's interpretation has been conservative - non-dynamic.	PRA's interpretation of Solvency II has been more conservative than other Supervisory Authorities.	Sceptical as to its value to date. Additional data required complicated and costly to collect.	SII has introduced excessive volatility in the calculation of firms'solvency cover Support proposals for the PRA to mitigate these effects by changing its approach to the extent to which longevity is considered a hedgeable risk.	PRA could be more flexible in recalculating.	UK should allow US GAAP as an agreed accounting standard for UK listing purposes alongside IFRS.
L&G	The overall regime is too complex which is introducing unnecessary risks and costs.	UK should work towards emulating the existing SII regime, but address the shortcomings and be deemed equivalent to SII.	Should have a more principles-based approach. Professional services/ audit firms could provide review/ oversight of model change.	Recommend a more principles-based approachand a less binary split between eligible and ineligible assets.	Use of VA without regulatory approval required. Dynamic VAs also possible.	A principles-based regime with prudential regulatory flexibility, would produce better commercial and regulatory outcomes.	Disclosure requirements are excessive and of limited use. Recommend yearly or half-yearly reporting rather than quarterly.	Fundamentally flawed and is driving poor outcomes. It is demonstrably out of line with the market price for transferring risk.	Current approach is highly complex, adds huge cost and complexity. Need a more principles based approach that responds to changes in the market and the business. Firms should not need regtulatory sign-off for every change.	Implementation of Solvency II is acting in the opposite direction to the aims of IFRS 4 phase II UK should retain the flexibility to adapt the capital regime without tying it to international accounting standards.
Royal London	SII broadly fit for purpose for the UK market. Improvements could be made changes to the PRA's interpretation of SII rules, not changes to the underlying regulations.	n/a	n/a	n/a	Approval process is complex, requires significant effort and cost and delivers little benefit for members.	n/a	n/a	Disproportionately high and very sensitive to movements in the yield curve.	n/a	n/a
Lloyds	Principles of SII are sound but their implementation could be improved or simplified.	Priority is passporting and access to EU single insurance market rather than modifications of regulatory regime. Moving away from SII will make a deal with the EU insurance market more complex and challenging.	Model change and reporting around SF should be more flexible to avoid becoming a significant, frequent burden.	n/a	n/a	Harmonisation across whole EU mean some of SII's provisions veer towards a rule-based approach.	Very detailed and not clear what use supervisors can make of all the information they receive.	n/a	n/a	Aligning SII with US GAAP would increase transparency and reduce the potential for confusion between the treatments.
Aviva	Not looking for a fundamental overhaul in the near term.	Do not wish to make radical changes that might rule out the possibility of equivalence - support maintaining a broadly equivalent regime with hope of agreeing EU passporting rights.	Extensive documentation required for approval process challenging.	Overly prescriptive and restrictive in nature - is not facilitating investment in sustainable long term infrastructure as was hoped.	Provide a reasonably effective approach to combatting procyclicality. Applied differently in different countries creating competitive disadvantages for Aviva compared to European peers.	Prescriptive rather than principles-based.	Detailed and frequent reporting requirements are unnecessary, and create costs that are out of proportion to benefits for policyholders.	Inappropriate for long term life insurance business and unduly sensitive to interest rates.	Provide some relief to the issues associated with the risk margin but do not mitigate the impact on new customers.	n/a
PRA	Implementation has led to the identification of some specific instances where Solvency II is not working as intended.	n/a	SII allows a reasonable degree of modelling flexibility. UK has developed more internal models than any other EEA jurisdiction because of similarities to ICAS.	Inclusion of the MA within the long-term guarantees package was an important UK priority.	If full credit were taken for a dynamic VA upfront, this would reduce the effectiveness of any adjustments made to the VA discount rate.	n/a	Improved ability of PRA supervisors to review, compare and understand risks within individual firms and across the sector.	Excessively volatile due to its sensitivity to current interest rates and should be reviewed.	Recalculation of the TMTP has reduced pressure on insurance firms to engage in procyclical behaviour.	n/a
FCA	Constraints from SII on the conduct side are not significant.	A move away from Solvency II it could affect UK firms' ability to compete in European and international markets.	n/a	n/a	n/a	n/a	n/a	n/a	Transitional provisions have not had significant impacts on FCA regulation.	n/a
Willis Towers Watson	n/a	Achieving equivalence with Solvency II is an important aim.	For certain risks the SF capital requirement is a poor fit for the UK insurance industry - a review could reduce need for firms to develop costly internal models. Internal model approval process could be streamlined to help cut costs.	Reduce asset and liability matching adjustment eligibility restrictions, using a principles-based approach, would re-incentivise companies to invest in a wider range of assets.	n/a	UK should revert to a more principles-based regulatory regime.	Extremely onerous and should be reviewed. Information should not be collected solely because it might be useful in the future.	Unrealistic and overly penal for certain products, thereby affecting customer value for money.	n/a	Should be reassessed.
PWC	Gold plating by PRA risks reducing the number of new entrants, stifling creativity and product innovation, and harming choice and value for money.	Maintaining access to EU market crucial for many UK insurers. Equivalence should be obtained at least for group supervision and a third country branch agreement should be negotiated.	SF calibrated towards the average EU insurer and could be recalibrated to better reflect UK market.	Narrow scope of products and assets to which a MA can be applied - was much wider under ICAS.	PRA could adopt a different view given the variable interpretations by other EU supervisors.	n/a	Reporting is very granular, frequent and wide in scope.	Could be refined in the context of the long-term life insurance market so to better reflect the risk exposure.	Approval process could potentially be relaxed with resetting aligned to the quarterly reporting timescales.	A regulatory regime capable of being consistent with IFRS17 would be desirable.
KPMG	Certain aspects of Solvency II are either not fully economically based, or are too onerous.	SII should be tailored to the UK industry better - but equivalence is essential for UK insurers.	SF does not cope well with a range of risks associated with both life and non-life business.	Implementation highly onerous and could be significantly simplified. Insurers should be allowed to determine MA themselves using regulatory guidelines.	Current approach stems from a PRA requirement and was not mandated by Solvency II. Companies should be allowed to adopt on a comply-and-explain basis.	Implementation of SII across the EU (including the UK) has been more "rules based" than "principles based".	Large volume of information collected is of limited benefit. More could be done to reduce reporting burden for all firms.	Calculation of RM should be reviewed post Brexit to remove the excessive prudence which it now represents.	Beneficial and generally effective. Concern remains about detailed drafting of the relevant rules and whether recalculation for the transitional provisions will be onerous.	Refine the alignment of solvency regulation with international accounting standards.
LCP	The the UK's Solvency II implementation is probably the most robust of any European country. There should be greater differentiation of regulation between life and non-life insurers.	There is significant scope to simplify UK regulation while still achieving Solvency II equivalence - Swiss and Bermudan regimes should be used as an example.	Redefine "model approval" and reinstating PRA discretionary capital loadings. Modify SF to remove one-size-fits-all assumptions.	n/a	n/a	n/a	Pause Pillar 3 implementation in the UK as soon as possible, to stop insurers spending millions on it and agree a new, simpler, UK-specific programme of regulatory reporting.	n/a	n/a	n/a
ABI	No appetite for, or strategic value in, withdrawing from or completely replacing SII PRA's implementation goes beyond what is necessary for financial stability.	SII broadly fit for purpose for the UK market. Some adaptations could be made whilst safeguarding equivalence.	Change process is lengthy and complex (an example of overengineering)	MA is highly restrictive on which assets and liabilities can be recognised as matching - a more principles-based approach is required.	Differences in interpretation by PRA and other EU supervisors has put UK at a competitive disadvantage.	n/a	Implementation and ongoing costs are excessive and it is unclear there is a commensurate value to the PRA or customers.	Design is flawed - size and sensitivity to interest rate movements significantly higher than expected.	PRA's implementation of TMTP not practical or flexible enough.	The demands placed on firms from implementing IFRS17 should be allowed for when considering any further change to the UK prudential regime.
Moody's	Plethora of regulation has caused insurers to take on less risk.	In favour of "soft" equivalence with SII but with regulation simplified, made more appropriate for UK market and reporting and modelling burden reduced.	Worth considering streamlining and simplifying the internal model requirements and processes.	MA too restrictive and driven by EIOPA wanting to add arbitrary restrictions.	UK doesn't appear to be great beneficiary of the VA - any change should make the benefit more focused.	n/a	Administrative burden on insurers should be reduced, especially considering new requirements under IFRS 17.	Has "ballooned" out of control in recent years because of its sensitivity to interest rates - 6% capital charge seems high and should be reviewed.	Inflexibility of the resetting of the TMTP causes problems.	IFRS 17 will require significant amount of additional reporting.

Key			
Key	Aligned with IFoA response	Broad agreement with the IFoA response	Disagreement with the IFoA response