

<b>Comments Template on EIOPA-CP-14-055</b>		<b>Deadline</b>
<b>Draft proposal for ITS on the procedures, formats and templates of the solvency and financial condition report</b>		<b>02.Mar.2015 23:59 CET</b>
Company name:	Institute and Faculty of Actuaries	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ Do <b>not</b> change the numbering in column “Reference”.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> <li>o If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.</li> <li>o If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself.</li> </ul> </li> </ul> <p><b>Please send the completed template to <a href="mailto:Consultation_Set2@eiopa.europa.eu">Consultation_Set2@eiopa.europa.eu</a>, in MSExcel Format, (our IT tool does not allow processing of any other formats).</b></p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-14-055.</p>		
Reference	Comment	
General Comment	We believe that disclosure of information to the insurance buying public and their advisers should be a fundamental part of any solvency regime. We believe that public disclosure should be such that a knowledgeable and qualified commentator should be able to base a well - reasoned view on the financial condition of the insurer from the Solvency and Financial Condition Report (SFCR). It is not clear to us that the disclosure required in the SFCR will be sufficient to meet this test. We would encourage EIOPA to extend the disclosure, and note that all of the extra disclosure we would recommend in the SFCR will already exist in the Regular Supervisory Report (RSR). Therefore, little, if any, extra work would be placed on insurers.	
Recital 1		
Recital 2		
Recital 3		
Recital 4		
Recital 5		
Recital 6		

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Recital 7		
Article 1		
Article 2	We suggest that text should be added to define whether the rounding should be applied before items are added up or after. We would suggest that the result should be after adding up, therefore, giving a correct rounded total, rather than just a total of rounded numbers.	
Article 3		
Article 4	<p>We believe that the template showing the analysis of technical provisions is not in sufficient detail to allow a knowledgeable person to be able to see whether the provisions are reasonable in comparison to the scale of the benefits provided, nor how sensitive the provisions are to changes in experience. Article 296 of the Delegated Act requires disclosure of the calculation of the technical provisions for each "material" line of business. We suggest that the S.14.01 template from the RSR is made part of the SFCR.</p> <p>We are also concerned that the claims triangle is only given in summary for general insurance. In our view, changes in mix of business could substantially affect the development factors assumed within an provision for outstanding claims. We believe that the triangles should be shown separately for each of the summary classes of business within S.17.</p>	
Article 5		
Article 6		
Article 7		
Article 8		
Article 9		
Article 10	We agree that all entities should report their SFCR on their website. We would also suggest that there should be a pointer required to these disclosures within their financial statements, especially if the latter are sent to customers.	
Article 11		
Article 12		
Article 13		
Annex I - S.02.01 Individual entities	<p>We believe that some of the names of the fields can be misconstrued and could be misleading to customers and people not used to the templates. We suggest that either:</p> <ul style="list-style-type: none"> <li>- longer and more easily understood names are used,</li> <li>- the Annex II listing of what the items are is included alongside the template; or</li> <li>- firms are encouraged to provide a key to the information.</li> </ul>	
Annex I - S.05.01 Individual entities	We assume that claims will include surrenders, part surrenders and withdrawals, including any income drawdown for retirement savings products.	

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Annex I - S.05.02 Individual entities		
Annex I - S.12.01 Individual entities	It is difficult to see the need for column 0030 or column 0060 especially as the fields do not seem to be replicated in the next two columns. We would suggest that EIOPA requires S.14.01 in the RSR templates to also be in the SFCR.	
Annex I - S.17.01 Individual entities		
Annex I - S.19.01 Individual entities	We would suggest that a single development triangle for the whole of the general insurance business of a firm is unlikely to be helpful. The development factors underlying any estimate of outstanding claims tend to be very different between different lines of business, for example employers liability versus medical expense business, and the triangle will be open to distortions caused by a changing mix of business. We would suggest that separate triangles should be shown for each of the classes of business used in S.17.	
Annex I - S.22.01 Individual entities		
Annex I - S.23.01 Individual entities		
Annex I - S.25.01 Individual entities		
Annex I - S.25.02 Individual entities		
Annex I - S.25.03 Individual entities		
Annex I - S.28.01 Individual entities		
Annex I - S.28.02 Individual entities		
Annex I - S.02.01 Groups		
Annex I - S.05.01 Groups		
Annex I - S.05.02 Groups		
Annex I - S.22.01 Groups		

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Annex I - S.23.01 Groups		
Annex I - S.25.01 Groups		
Annex I - S.25.02 Groups		
Annex I - S.25.03 Groups		
Annex I - S.32.01 Groups		
Annex II - S.02.01 Individual entities		
Annex II - S.05.01 Individual entities		
Annex II - S.05.02 Individual entities		
Annex II - S.12.01 Individual entities		
Annex II - S.17.01 Individual entities		
Annex II - S.19.01 Individual entities		
Annex II - S.22.01 Individual entities		
Annex II - S.23.01 Individual entities		
Annex II - S.25.01 Individual entities		
Annex II - S.25.02 Individual entities		
Annex II - S.25.03 Individual entities		
Annex II - S.28.01 Individual entities		
Annex II - S.28.02 Individual entities		

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Annex II - S.02.01 Groups		
Annex II - S.05.01 Groups		
Annex II - S.05.02 Groups		
Annex II - S.22.01 Groups		
Annex II - S.23.01 Groups		
Annex II - S.25.01 Groups		
Annex II - S.25.02 Groups		
Annex II - S.25.03 Groups		
Annex II - S.32.01 Groups		
Impact Assessment General Comment		
Impact Assessment 1.1		
Impact Assessment 1.2		
Impact Assessment 1.3		
Impact Assessment 1.4		
Impact Assessment 1.5		

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Impact Assessment 1.6		
Impact Assessment 1.7		
Impact Assessment 1.8		
Impact Assessment 1.9		
Impact Assessment 1.10		
Impact Assessment 1.11		
Impact Assessment 1.12		
Impact Assessment 1.13		
Impact Assessment 1.14		
Impact Assessment 1.15		
Impact Assessment 1.16		
Impact Assessment 1.17		

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Impact Assessment 1.18		
Impact Assessment 1.19		
Impact Assessment 1.20		
Impact Assessment 1.21		
Impact Assessment 1.22		
Impact Assessment 1.23		
Impact Assessment 1.24		
Impact Assessment 1.25		
Impact Assessment 1.26		
Impact Assessment 1.27	We agree that Option 2 (Information with Solvency II LOB) should be the preference for Policy Issue 1 (Premiums, claims and expenses by LOB); and that Option 1 (to develop a triangle within the templates) should be the preference for Policy Issue 3 (Harmonised template for non life claims).	
Impact Assessment 1.28		
Impact Assessment 1.29		

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Impact Assessment 1.30		
Impact Assessment 1.31		
Impact Assessment 1.32		
Impact Assessment 1.33		
Impact Assessment 1.34		
Impact Assessment 1.35		
Impact Assessment 1.36		
Impact Assessment 1.37		
Impact Assessment 1.38		
Impact Assessment 1.39		
Impact Assessment 1.40		
Impact Assessment 1.41		



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Impact Assessment 1.42		
Impact Assessment 1.43		
Impact Assessment 1.44		
Impact Assessment 1.45		
Impact Assessment 1.46		
Impact Assessment 1.47		
Impact Assessment 1.48		
Impact Assessment 1.49		
Impact Assessment 1.50		
Impact Assessment 1.51		
Impact Assessment 1.52		
Impact Assessment 1.53		

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Impact Assessment 1.54		
Impact Assessment 1.55		
Impact Assessment 1.56		
Impact Assessment 1.57		
Impact Assessment 1.58		
Impact Assessment 1.59		
Impact Assessment 1.60		
Impact Assessment 1.61		
Impact Assessment 1.62		
Impact Assessment 1.63		
Impact Assessment 1.64		
Impact Assessment 1.65	We agree that the preferred policy option should be Option 2 - giving premiums and claims by Solvency II LOB.	

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Impact Assessment 1.66		
Impact Assessment 1.67	We agree that the preferred policy option should be Option 1 - developing a template (with claims development triangles) to be completed by the firm.	