

| Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | | Deadline 19 June 2013 12:00 CET |
|--|---|--|
| Name of Company: | Urs Roth | |
| Disclosure of comments: | Please indicate if your comments should be treated as confidential: | Public |
| <p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-13-009@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.</p> | | |
| Reference | Comment | Resolution |
| General Comment | | |
| Introduction General Comment | | |
| 1.1 | | |
| 1.2 | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|---|--|--|
| 1.3 | | |
| 1.4 | | |
| 1.5 | | |
| 1.6 | | |
| 1.7 | | |
| 1.8 | | |
| 1.9 | | |
| 1.10 | | |
| 1.11 | | |
| 1.12 | | |
| 1.13 | | |
| 1.14 | | |
| 1.15 | | |
| 1.16 | | |
| 1.17 | | |
| 1.18 | | |
| 1.19 | | |
| 1.20 | | |
| 1.21 | | |
| Section I. General Comments | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|--|---|--|
| 1.22 | | |
| 1.23 | | |
| 1.24 | | |
| 1.25 | | |
| 1.26 | | |
| 1.27 | | |
| 1.28 | | |
| 1.29 | | |
| Section II. General Comments | | |
| 1.30 | | |
| 1.31 | | |
| 1.32 | | |
| 1.33 | | |
| 1.34 | | |
| 1.35 | | |
| 1.36 | | |
| Section III. General Comments | | |
| 1.37 | | |
| 1.38 | The quality of the internal control environment is related to the operational risk. The | |

| | <p align="center">Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</p> | <p align="center">Deadline 19 June 2013 12:00 CET</p> |
|------|---|--|
| | <p>most serious operational risk events are associated with defaults in the internal control environment of the undertakings. So I suggest that undertakings should assess their internal control environment in order to estimate the solvency needs for their operative risk. Guidelines for the assessment of the internal control environment should inserted in article 1.69 of CP_13_008. Guidelines for the estimation of the solvency needs should inserted in this article.</p> <p><i>"National competent authorities should ensure that the undertaking quantitatively estimates the impact on the overall solvency needs assessment of the different recognition and valuation bases.</i></p> <p><i>Especially the undertaking should estimate the solvency need for its operative risk taking into account the results from the assessment monitoring and reporting of its internal control environment."</i></p> | |
| 1.39 | | |
| 1.40 | <p>If the range of the stress scenarios is not clarified, there will be a lot of discussion between the undertakings and the supervisory authorities. I suggest to give an orientation for the range of stress scenarios.</p> <p><i>"Where appropriate, national competent authorities should ensure that the undertaking subjects the identified material risks to a sufficiently wide range of stress test or scenario analyses in order to provide an adequate basis for the assessment of the overall solvency needs.</i></p> <p><i>The range of stress test or scenario analyses should orientate oneself to the calibration of the Solvency Capital Requirement in Article 101 of Solvency II."</i></p> | |
| 1.41 | <p>The definition of the stress scenarios is crucial for the ORSA-Process. I suggest to follow the Swiss Solvency Test concerning the definition of stress scenarios.</p> <p><i>"In accordance with Article 45 of Solvency II, national competent authorities should ensure that the undertaking's assessment of the overall solvency needs is forward-</i></p> | |

| | <p align="center">Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</p> | <p align="center">Deadline 19 June 2013 12:00 CET</p> |
|------|---|--|
| | <p><i>looking, including a medium term or long term perspective as appropriate.</i></p> <p><i>The assessment should especially</i></p> <ul style="list-style-type: none"> <i>a) refer to the business plan as well as strategic options of the undertaking</i> <i>b) refer to the capital plan of the undertaking</i> <i>c) concern scenario analysis regarding material risks with long time impact arising from</i> <ul style="list-style-type: none"> <i>1. the market,</i> <i>2. the specific insurance business,</i> <i>3. the reinsurance contracts and</i> <i>4. the internal processes and infrastructure of the undertaking</i> <i>d) take account of possible reactions in the business and capital planning of the undertaking in terms of management rules</i> <p><i>Where appropriate, national competent authorities could provide the undertakings with</i></p> <ul style="list-style-type: none"> <i>a) market scenarios and</i> <i>b) calibration guidelines for scenario analysis regarding risks arising from the specific insurance business, the reinsurance contacts and the internal processes and infrastructure of the undertaking"</i> | |
| 1.42 | <p>The compliance of the Solvency II regulatory capital requirements on a continuous basis is mostly affected by adverse evolutions in the business environment of the undertakings, e.g. the "Japan Scenario". So I suggest to focus on adverse evolutions in this article. But the undertakings are overcharged if they should comply the Solvency II regulatory capital requirements in this situations. Instead they should sketch a crisis-plan, how to regain their possibility to comply the Solvency II regulatory capital requirements.</p> <p><i>"In accordance with Article 45 of Solvency II and in accordance with Guideline 3 on the threshold for the forward looking assessment of the undertaking's own risks, national competent authorities should ensure that as part of the</i></p> | |

| | <p align="center">Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</p> | <p align="center">Deadline 19 June 2013 12:00 CET</p> |
|-------------------------------------|---|--|
| | <p><i>forward looking assessment of the undertaking's own risks the assessment if the undertaking would comply on a continuous basis with the Solvency II regulatory capital requirements includes at least adverse evolutions concerning their business environment which affects:</i></p> <p><i>a) the the risk profile or</i></p> <p><i>b) the quantity and quality of its own funds over the whole of its business planning period.</i></p> <p><i>The undertaking should outline the evolutions where they could not comply the Solvency II regulatory capital requirements regarding possible reactions in its business and capital planning. For such evolutions the undertaking should sketch a crisis-plan, how to regain its possibility to comply the Solvency II regulatory capital requirements."</i></p> | |
| 1.43 | | |
| 1.44 | | |
| 1.45 | | |
| 1.46 | | |
| Section IV. General Comments | | |
| 1.47 | | |
| 1.48 | | |
| 1.49 | | |
| 1.50 | | |
| 1.51 | | |
| 1.52 | | |

| | <p align="center">Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</p> | <p align="center">Deadline 19 June 2013 12:00 CET</p> |
|---|---|--|
| 1.53 | | |
| <p>Compliance and Reporting Rules General Comments</p> | | |
| 1.54 | | |
| 1.55 | | |
| 1.56 | | |
| 1.57 | | |
| <p>Impact Assessment – General Coments</p> | | |
| 2.1 | | |
| 2.2 | | |
| 2.3 | | |
| 2.4 | | |
| 2.5 | | |
| 2.6 | | |
| 2.7 | | |
| 2.8 | | |
| 2.9 | | |
| 2.10 | | |
| 2.11 | | |
| 2.12 | | |
| 2.13 | | |
| 2.14 | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|------------|--|--|
| 2.15 | | |
| 2.16 | | |
| 2.17 | | |
| 2.18 | | |
| 2.19 | | |
| 2.20 | | |
| 2.21 | | |
| 2.22 | | |
| 2.23 | | |
| 2.24 | | |
| 2.25 | | |
| 2.26 | | |
| 2.27 | | |
| 2.28 | | |
| 2.29 | | |
| 2.30 | | |
| 2.31 | | |
| 2.32 | | |
| 2.33 | | |
| 2.34 | | |
| 2.35 | | |
| 2.36 | | |
| 2.37 | | |
| 2.38 | | |
| Question 1 | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|------------|--|--|
| Question 2 | | |
| Question 3 | | |
| Question 4 | | |
| Question 5 | | |
| Question 6 | | |
| 2.39 | | |
| 2.40 | | |
| 2.41 | | |
| 2.42 | | |
| 2.43 | | |
| 2.44 | | |
| 2.45 | | |
| 2.46 | | |
| 2.47 | | |
| 2.48 | | |
| 2.49 | | |
| 2.50 | | |
| 2.51 | | |
| 2.52 | | |
| 2.53 | | |
| 2.54 | | |
| 2.55 | | |
| 2.56 | | |
| 2.57 | | |
| 2.58 | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|------|--|--|
| 2.59 | | |
| 2.60 | | |
| 2.61 | | |
| 2.62 | | |
| 2.63 | | |
| 2.64 | | |
| 2.65 | | |
| 2.66 | | |
| 2.67 | | |
| 2.68 | | |
| 2.69 | | |
| 2.70 | | |
| 2.71 | | |
| 2.72 | | |
| 2.73 | | |
| 2.74 | | |
| 2.75 | | |
| 2.76 | | |
| 2.77 | | |
| 2.78 | | |
| 2.79 | | |
| 2.80 | | |
| 2.81 | | |
| 2.82 | | |
| 2.83 | | |

| | Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles) | Deadline 19 June 2013 12:00 CET |
|------|--|--|
| 2.84 | | |
| 2.85 | | |
| 2.86 | | |
| 2.87 | | |
| 2.88 | | |
| 2.89 | | |
| 2.90 | | |