

**Comments Template on Proposal for
Quantitative Reporting Templates for Financial Stability Purposes**

**Deadline
20 February 2012**

Name of Company:	Royal London	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public

Please follow the following instructions for filling in the template:

- ⇒ 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 empty.
- ⇒ Please fill in your comment in the relevant row. If you have no comment on a paragraph or a cell, keep the row empty.
- ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.
 - In spreadsheets & LOGs, certain cell number may seem like they are missing (ex : going directly from cell B1 to cell B3); this is normal, as they may refer to a previously existing cell that has been deleted during informal consultations, and cell numberings have not been changed for interal consistency purposes
 - If your comment refers to multiple cells or paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other cells or paragraphs this also applies.
 - If your comment refers to subparagraphs or specific cells within a group, please indicate this in the comment itself.

Please send the completed template, in Word Format, to cp-011@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.

The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the accompanying spreadsheets and LOGs.

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Reference	Comment	
General Comment	<p>The financial stability reporting requires a number of templates (or part templates) to be completed at a group level that are not required at group level for Solvency II reporting. It will be onerous to produce these at group level – particularly on a quarterly basis (for example TP-F1Q). There will be a duplication of effort for group’s to complete the same information for both Solvency II and Financial Stability reporting purposes. Could the information required by EIOPA be taken from the templates required to be submitted under the Solvency II proposals?</p>	
3.1	<p>The threshold of €6bn is too low. Financial stability reporting should be only for those entities which are systemically important to the European economy.</p>	
3.2	<p>We agree that if an undertaking is within a group that is submitting FS information then the undertaking should not need to give solo information.</p>	
3.3		
3.4		
3.5		
3.6		
3.7		
3.8		
4.1		
4.2		
4.3	<p>This comment relates to the box headed ‘Timelines and reporting frequency’ which is underneath para 4.3. This section implies that annual Financial Stability reporting is required as well as quarters 1 to 4. This needs to be made clearer. If annual is required it need to be made clear which templates are required on an annual basis as well as Q4.</p>	
4.4		
4.5		

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6.21	A full calculation of the SCR on a quarterly basis would be very onerous. In practice many of the risk factors will not change quarter on quarter. We agree that the SCR should be updated for the	

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	more volatile risks such as market risks only.	
6.22	See comments above under 6.21.	
6.23		
6.24	We agree that a full calculation of the SCR should NOT be required on a quarterly basis.	
6.25		
6.26	We support the approach outlined in this para.	
6.27		
6.28		
6.29		
6.30		
7.1		
7.1 Q1	We support the EIOPA proposal to perform a simplified SCR calculation on a quarterly basis (option 2).	
7.1 Q2	We do NOT support the inclusion of accounting profit & loss figures. The inclusion of these figures will effectively mandate the production of a quarterly IFRS profit & loss account and balance sheet. This will be unduly burdensome. It is also not made clear in the CP what value having these figures will be for EIOPA. There is also a risk that listed insurance groups will come under pressure to publish some or all of these figures, thus creating quarterly IFRS reporting for the insurance industry by 'the back door'.	
7.1 Q3	The scope threshold is too low. It should be set at a level that truly reflects an entity that is systemically important to the financial stability of the EU.	
7.1 Q4	The draft requirements are a significant burden over and above the quarterly reporting already proposed under Solvency II. In particular ,the Financial Stability reporting is required at group level, whereas much of the Solvency II quarterly reporting is only at solo level. This will place a significant burden on non-EEA insurance entities within EU insurance groups.	

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7.1 Q5	<u>Regular reporting is preferable to ad hoc reporting.</u> <u>Using the solo quarterly reporting timescales will be burdensome. It would be helpful if the financial stability reporting were 2 weeks later than the solo Solvency II reporting. This will give group's time to collate and consolidate the solo reports produced around the group.</u>	
Technical Annex	<u>This comment relates to the General Comment on the Log to FS 1.</u> <u>The log states that the consolidation method to be applied should be the same as for the Insurance Group's Directive (98/78/EC). In the UK this is the deduction and aggregation method. This is different from the default method for Solvency II, which is the consolidated method. It would be better to require the consolidation method for Financial Stability reporting to be the same as the method used by a group for its group Solvency II reporting.</u>	
FS 1 - A1		
FS 1 - A2		
FS 1 - A3	<u>Requiring the reporting of statutory accounts profit and loss will require the production of a quarterly consolidated IFRS profit and loss account. This will effectively be imposing quarterly IFRS reporting on all EU insurance groups.</u> <u>The reference to 91/674, Article 34, III, Item 16 refers to the profit after tax on the non-technical account. For a mutual company there is no non-technical account (or equivalent IFRS shareholder profit) and therefore this figure will always be nil.</u>	
FS 1 - A4	<u>Requiring the reporting of statutory balance sheet total will require the production of a quarterly consolidated IFRS balance sheet. This will effectively be imposing quarterly IFRS reporting on all EU insurance groups.</u>	
FS 1 - A5	<u>Requiring the reporting of statutory accounts capital will require the production of a quarterly consolidated IFRS accounts. This will effectively be imposing quarterly IFRS reporting on all EU insurance groups.</u> <u>The reference to 91/674 Article 6, Liabilities A refers to share capital and reserves. These are the shareholder capital in a shareholder-owned company. In a mutual the capital of the company is normally considered to be within the unallocated surplus (Unallocated Divisible Surplus in the IFRS accounts).</u>	

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FS 1 – A6	Further explanation of this ratio is required. For example what is being compared to what ?	
FS 1 – A7		
FS 1 – A8		
FS 1 – A9		
Overview FS Needs - all tab	<p>Most of the data being asked for is already to be provided on the Solvency II quarterly QRTs. To produce the same information in a slightly different format for Financial Stability reporting will be a duplication of effort for companies. Is it not possible for the required information to be extracted by EIOPA from the Solvency II QRTs ?</p> <p>The Financial Stability reporting should not require any additional group level reporting over and above the Solvency II QRTs.</p> <p>The only additional reporting would then be FS 1 A1 to A8.</p>	
Cover - A1Q- cell A1		
Cover - A1Q- cell A2		
Cover - A1Q- cell A3		
Cover - A1Q- cell A4		
Cover - A1Q- cell A5		
Cover - A1Q- cell A6		
Cover - A1Q- cell A7		
Cover - A1Q- cell A8		
Cover - A1Q- cell A9		
Cover - A1Q- cell A10		
Cover - A1Q- cell A11		
Cover - A1Q- cell A12		
Cover - A1Q- cell B13		
Cover - A1Q- cell B14		
Cover - A1Q- cell B15		

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Cover - A1Q- cell B16		
Cover - A1Q- cell D1		
Cover - A1Q- cell D2		
Cover - A1Q- cell D3		
Cover - A1Q- cell D4		
Cover - A1Q- cell D5		
Cover - A1Q- cell D6		
Cover - A1Q- cell D7		
Cover - A1Q- cell D8		
Cover - A1Q- cell D9		
Cover - A1Q- cell D10		
Cover - A1Q- cell D11		
Cover - A1Q- cell D12		
Cover - A1Q- cell D13		
Cover - A1Q- cell D14		
Cover - A1Q- cell D15		
Cover - A1Q- cell D16		
Cover - A1Q- cell H1		
Cover - A1Q- cell H2		
Cover - A1Q- cell H3		
Cover - A1Q- cell H4		
Cover - A1Q- cell H5		
Cover - A1Q- cell H6		
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Cover - A1Q- cell H8		
Cover - A1Q- cell H9		

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Cover - A1Q- cell H10		
Cover - A1Q- cell H11		
Cover - A1Q- cell H12		
Cover - A1Q- cell H13		
Cover - A1Q- cell H14		
Cover - A1Q- cell H15		
Cover - A1Q- cell H16		
Cover - A1Q- cell H1Z		
Cover - A1Q- cell H2Z		
Cover - A1Q- cell H3Z		
Cover - A1Q- cell H4Z		
Cover - A1Q- cell H5Z		
Cover - A1Q- cell H6Z		
Cover - A1Q- cell H7Z		
Cover - A1Q- cell H8Z		
Cover - A1Q- cell H9Z		
Cover - A1Q- cell H10Z		
Cover - A1Q- cell H11Z		
Cover - A1Q- cell H12Z		
Cover - A1Q- cell H13Z		
Cover - A1Q- cell H14Z		
Cover - A1Q- cell H15Z		
Cover - A1Q- cell H16Z		
Cover - A1Q- cell H1F		
Cover - A1Q- cell H1G		
Cover - A1Q- cell I1		

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Cover - A1Q- cell I2		
Cover - A1Q- cell I3		
Cover - A1Q- cell 13A		
Cover - A1Q- cell 13B		
Cover - A1Q- cell I4		
Cover - A1Q- cell I5		
Cover - A1Q- cell I6		
Cover - A1Q- cell K1		
Cover - A1Q- cell K2		
Cover - A1Q- cell K3		
Cover - A1Q- cell K3A		
Cover - A1Q- cell K3B		
Cover - A1Q- cell K4		
Cover - A1Q- cell K5		
Cover - A1Q- cell K6		
Cover - A1Q- cell N1		
Cover - A1Q- cell N2		
Cover - A1Q- cell N3		
Cover - A1Q- cell N3A		
Cover - A1Q- cell N3B		
Cover - A1Q- cell N4		
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Cover - A1Q- cell N6		
Cover - A1Q- cell N1Z		
Cover - A1Q- cell N2Z		
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Cover - A1Q- cell N3AZ		
Cover - A1Q- cell N3BZ		
Cover - A1Q- cell N4Z		
Cover - A1Q- cell N5Z		
Cover - A1Q- cell N6Z		
Cover - A1Q- cell R		
Cover - A1Q- cell S1		
OF - B1Q- cell A13		
OF - B1Q- cell A50		
OF - B1Q- cell B50		
OF - B1Q- cell C50		
OF - B1Q- cell D50		
OF - B1Q- cell E50		
OF - B1Q- cell A51		
OF - B1Q- cell B51		
OF - B1Q- cell C51		
OF - B1Q- cell D51		
MCR - B4A- cell A31	There is no requirement under the Solvency II requirements to produce a group level MCR.	
MCR - B4B- cell A31		
Assets - D1Q- cell A1 (list)		
Assets - D1Q- cell A2 (list)		
Assets - D1Q- cell A3 (list)		
Assets - D1Q- cell A4 (list)		
Assets - D1Q- cell A5 (list)		
Assets - D1Q- cell A6 (list)		
Assets - D1Q- cell A7 (list)		

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Assets - D1Q- cell A8 (list)		
Assets - D1Q- cell A9 (list)		
Assets - D1Q- cell A10 (list)		
Assets - D1Q- cell A11 (list)		
Assets - D1Q- cell A12 (list)		
Assets - D1Q- cell A13 (list)		
Assets - D1Q- cell A15 (list)		
Assets - D1Q- cell A16 (list)		
Assets - D1Q- cell A17 (list)		
Assets - D1Q- cell A18 (list)		
Assets - D1Q- cell A20 (list)		
Assets - D1Q- cell A22 (list)		
Assets - D1Q- cell A23 (list)		
Assets - D1Q- cell A24 (list)		
Assets - D1Q- cell A25 (list)		
Assets - D1Q- cell A26 (list)		
Assets - D1Q- cell A28 (list)		
Assets - D1Q- cell A30 (list)		
Assets - D20- cell A1		
Assets - D20- cell A2		
Assets - D20- cell A3		
Assets - D20- cell A4		
Assets - D20- cell A5		
Assets - D20- cell A6		
Assets - D20- cell A7		
Assets - D20- cell A8		

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Assets - D20- cell A9		
Assets - D20- cell A10		
Assets - D20- cell A11		
Assets - D20- cell A13		
Assets - D20- cell A14		
Assets - D20- cell A15		
Assets - D20- cell A16		
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Assets - D20- cell A27		
Assets - D20- cell A28		
Assets - D20- cell A29		
Assets - D20- cell A31		
Assets - D20- cell A32		
Assets - D20- cell A33		
Assets - D20- cell A34		
Assets - D20- cell A35		
Assets - D3- cell A1	This template is not required at group level for Solvency II reporting (annually or quarterly). It will be onerous to produce at group level, especially for non-EEA insurance entities.	

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Assets - D3- cell A3		
Assets - D3- cell A4		
Assets - D3- cell A6		
Assets - D3- cell A7		
Assets - D3- cell A8		
Assets - D3- cell A15		
Assets - D4- cell A1		
Assets - D4- cell A2		
Assets - D4- cell A3		
Assets - D4- cell A4		
Assets - D4- cell A5		
Assets - D4- cell A6		
Assets - D4- cell A7		
Assets - D4- cell A8		
Assets - D5- cell A1	<u>This template is not required at group level for Solvency II reporting (annually or quarterly). It will be onerous to produce at group level, especially for non-EEA insurance entities.</u>	
Assets - D5- cell A2		
Assets - D5- cell A3		
Assets - D5- cell A4		
Assets - D5- cell A5		
Assets - D5- cell A6		
Assets - D5- cell A7		
Assets - D5- cell A8		
Assets - D5- cell A9		
Assets - D5- cell A10		
Assets - D5- cell A11		

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Assets - D5- cell A12		
Assets - D5- cell A13		
Assets - D5- cell A14		
TP - F1Q- cell A1	This template is not required at group level for Solvency II reporting (annually or quarterly). It will be onerous to produce at group level, especially for non-EEA insurance entities.	
TP – F1Q- cell A3		
TP – F1Q- cell A5		
TP – F1Q- cell A6		
TP – F1Q- cell A7		
TP – F1Q- cell A9		
TP – F1Q- cell A10		
TP – F1Q- cell A12		
TP – F1Q- cell A13		
TP – F1Q- cell A14		
TP - F1Q- cell B1		
TP - F1Q- cell B2		
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TP - F1Q- cell B14		
TP - F1Q- cell C1		
TP - F1Q- cell C2		
TP - F1Q- cell C3		
TP - F1Q- cell C4		
TP - F1Q- cell C5		
TP - F1Q- cell C6		
TP - F1Q- cell C7		
TP - F1Q- cell B9		
TP - F1Q- cell C10		
TP - F1Q- cell C11		
TP - F1Q- cell C12		
TP - F1Q- cell C13		
TP - F1Q- cell C14		
TP - F1Q- cell E1		
TP - F1Q- cell E2		
TP - F1Q- cell E4		
TP - F1Q- cell E6		
TP - F1Q- cell E7		
TP - F1Q- cell E9		
TP - F1Q- cell E10		
TP - F1Q- cell E12		
TP - F1Q- cell E13		
TP - F1Q- cell E14		
TP - F3- cell A21		
TP - F3- cell A30		

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TP - E1Q- cell A11		
TP -E1Q- cell B11		
TP -E1Q- cell C11		
TP - E1Q- cell D11		
TP -E1Q- cell E11		
TP -E1Q- cell F11		
TP - E1Q- cell G11		
TP -E1Q- cell H11		
TP -E1Q- cell I11		
TP - E1Q- cell L11		
TP -E1Q- cell M11		
TP -E1Q- cell N11		
TP - E1Q- cell P11		
TP - E1Q- cell P11		
TP -E1Q- cell Q11		
TP - E1Q- cell R11		
TP - E1Q- cell Q11		
TP - E1Q- cell A12		
TP -E1Q- cell B12		
TP -E1Q- cell C12		
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TP -E1Q- cell H12		
TP -E1Q- cell I12		

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TP - E1Q- cell L12		
TP -E1Q- cell M12		
TP -E1Q- cell N12		
TP - E1Q- cell O12		
TP - E1Q- cell P12		
TP -E1Q- cell Q12		
TP - E1Q- cell R12		
TP - E1Q- cell Q12		
TP - E1Q- cell A13		
TP -E1Q- cell B13		
TP -E1Q- cell C13		
TP - E1Q- cell D13		
TP -E1Q- cell E13		
TP -E1Q- cell F13		
TP - E1Q- cell G13		
TP -E1Q- cell H13		
TP -E1Q- cell I13		
TP - E1Q- cell L13		
TP -E1Q- cell M13		
TP -E1Q- cell N13		
TP - E1Q- cell O13		
TP - E1Q- cell P13		
TP -E1Q- cell Q13		
TP - E1Q- cell R13		
TP - E1Q- cell Q13		
Re - J2- cell H1	<u>This template is not required at group level for Solvency II reporting (annually or quarterly). It will</u>	

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	be onerous to produce at group level, especially for non-EEA insurance entities.	
Re - J2- cell X1		
Re - J2- cell Y1		
Re - J2- cell AG1		
Re - J2- cell AP1		
	This template is not required at group level for Solvency II reporting (annually or quarterly). It will be onerous to produce at group level, especially for non-EEA insurance entities.	
Re - J3- cell B1		
Re - J3- cell N1		
Re - J3- cell O1		
Re - J3- cell S1		