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|  | | | **Summary of Comments on Consultation Paper 09 - EIOPA-CP-009/2011**  **CP No. 009-SII Reporting - Quantitative Reporting - TP** | | | **04 July 2012** | |
| EIOPA would like to thank Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA Livförsäkring, Audit&Consulting Services – Poland, AM Best, AMICE, ANIA Reinsurance Working Group, Association of British Insurers (ABI), Association of Financial Mutuals (AFM), AXERIA PREVOYANCE – AXERIA IARD – SOLUCIA, Barnett Waddingham, BVI Bundesverband Investment and Asset Management, Insurers Europe (CEA), CFO Forum & CRO Forum, Crédit Agricole Assurances, CTIP (the French Paritarian Institution), Czech Insurers Association, Danish Insurance Association, Deloitte Touche Tohmatsu, European Captive Insurance and Reinsurance Owners, Federation of Finnish Financial Services, FEE, FNMF - Fédération Nationale de la Mutualité, Foyer S.A., German Insurance Association (GDV), Groupe Consultatif, HSBC Securities Services, ICMA Asset Management and Investors Council, ILAG, ING Group Data modelling team, Investment Management Association (IMA), If P&C, Institut des Actuaires, JP Morgan, KPMG, Lloyd’s, NFU Mutual, Paul Figg (individual, actuary), PwC, Royal London Group, RSA Insurance Group plc, State Street Corporation, The Alternative Investment Management Association Ltd (AIMA), The Directorate General Statistics (DG-S) of the ECB, The International Group of P&I Clubs, The Phoenix Group, Thomas Miller & Co Ltd, UNESPA – Association of Spanish Insurers and XL Group plc  The numbering of the paragraphs refers to Consultation Paper No. 09 (EIOPA-CP-009/2011) | | | | | | | |
| **No.** | **Name** | | | **Reference** | **Comment** | | **Resolution** |
|  | IRSG | | | General comments  (Part II) | Underwriting vs accident year for reporting of claims development  The IRSG believes that insurers should report claims triangles to the supervisor using the same basis applied by management to determine the insurer’s technical provisions. Taking into account the stated objectives of proportionality, harmonisation and the efficiency of supervision of groups, the IRSG's preferred option in the "Impact assessment on the reporting package for Solvency II" is a variation of Option 1 (para 4.64 - undertakings to choose). IRSG believes that the choice should not be at the insurer's option but should reflect management's own basis (i.e. through the eyes of management). Option 2 (para 4.65 - specified standard by line of business) is the least favoured option. However, if option 1 is chosen, groups should be free to adopt a European consistent approach for their European subsidiaries enabling them to limit costs and facilitate an EU level of supervision of their activities.  Although accident year reporting is generally preferred to underwriting year reporting where the date of loss is consistently available, insurance companies should have the option to use either underwriting year or accident year reporting in accordance with the basis used by management to determine technical provisions.  Claims are recorded by most insurers (particularly those involved in primary insurance) on the basis of the year in which an accident occurs. However, claims are recorded by many insurers (particularly those involved in writing retrocession, proportional reinsurance, marine, aviation and transport insurance, credit and bond insurance and insurance written under delegated authorities), on an underwriting year basis since the policies are written on a 'risks attaching' rather than a 'losses occurring' basis. Although the latter insurers are likely to be aware of (and record) the date of loss for all of its large claims (so that it can make recoveries from its ceded reinsurance treaties), for small claims, typically the insurer is unaware of the date of loss involved. Where this is the case insurers typically project their technical provisions using underwriting year claim triangles. Several insurers write business that falls into both categories and would therefore use both approaches for the relevant lines of business. IRSG believes it would be inappropriate to impose a basis that is not used by management itself and that would involve duplicate IT systems | | It was clarified that reporting on technical provisions should be done using either accident year or underwriting year. EIOPA does not require the use of one approach over the other. However, NSA may decided otherwise. |
|  | IRSG | | | General comments  (Part II) | Technical Provisions  IRSG believes that the level of required detail is particularly burdensome and costly beyond the benefit of such analysis (templates E2, E3 & F2). A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. For instance, it should be sufficient to report the gross best estimate total instead of per “cash in-flow” and “cash out-flow” for businesses modelled using simplifications and IRSG suggests removing the new requirement for the total amount of surrenders. Moreover, best estimate liabilities are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. Giving an average deterministic scenario could be preferred as it enables one to understand the effect of the assumptions of the management in this average scenario.  The historical loss development triangles are key inputs for actuarial reserving methods but do not provide meaningful information just by themselves. A 15 year history is disproportionate for all but long-tail lines of business. The exact term of development year will be dependent on the specific line of business (e.g. a 5 year development term might be appropriate for short-tail business such as motor damage, as loss development beyond this point will be immaterial).  IRSG is particularly concerned about transitional requirements, as to restate historical data in Solvency II format will be costly, not necessarily accurate, and may well not be available especially for the full 15 years proposed. Many insurers did not collect the data in the discussed format neither in general nor over a 15-years horizon. IRSG therefore suggests that Best Estimate, Reinsurance, Salvage and Subrogation and RBNS triangles be filled in on a best effort basis for the years before the entry into force of Solvency II, and on a compulsory basis for the years after. The application of proportionality and materiality is particularly important in this regard when requesting retrospective information on first time adoption of Solvency II.  Regarding the split between the gross claim and the salvage or the subrogation, it will be very difficult for undertakings to reconstruct the information from the past if the information was not collected. It will also be expensive to organise processes and IT systems to be ready to present it in future.  IRSG recognises that the TP templates are now solo only, not Group. However, IRSG notes that much of the data from the TP templates are required by EIOPA for Groups for Financial stability purposes, and thus will still be required for non-EEA entities. For territories which might be granted transitional equivalence it is unclear how they would reported when the technical provisions are calculated on a completely different basis.  The reporting of gross best estimate by country for the Life template (F1 template) should be limited to direct business only in line with non-Life template (E1 template) in order to be consistent.  In the F3 template, as a general comment, the required data is currently not held nor matched at the product denomination level to this level of granularity. More importantly, calculations of the best estimate at HRG level would be very onerous and costly for the industry both in terms of man-hours and IT requirements. It should be noted that the same product could be part of several HRGs e.g. products with different guaranteed rates during the life of a single contract. Consideration should be given to consolidating products into higher level categories or materiality limits.  In the E1 template, the line of business split according EEA member states as well as non EEA member states regarding technical provisions seems inappropriate due to the following reasons:  (1) Their calculation is usually performed on a higher aggregated level than on a single country basis, i.e. homogeneous risk groups cover more than one country (e.g. Germany and Austria might be seen as homogeneous risk groups),  (2) The split by country is not feasible for some segments. Especially for marine,, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown. Similarly for health insurance, the insured person might also be insured while travelling – with no country assigned. Regarding accepted non-life business from reinsures, the split by country where the risk is located, is much more difficult to determine than for direct business.  (3) The classification of risks as required is in most cases concerning non-life business more detailed than the minimum segmentation requirement for the calculation of technical provisions. The classes regarding sickness and accident as set out in the Annex 1 of the Framework Directive do not match with the required minimum segmentation for calculating the technical provisions. | | EIOPA welcomed the thoughts and arguments put forward as they allowed for an appropriate discussion.  Templates were amended when considered appropriate. See also specific comments below.  EIOPA believes that it achieved a balanced approach taking into account the costs and benefits of such requirements  It is not requested to report mandatory the full the triangle filled in with 15y but to report according the claims development of undertakings. The LOG was amended in order to clarify better the requirement  The triangle with salvage and subrogation have been deleted  Please see also comments template on CP11.  Agreed. Changed to be same as in TP-E1.  Disagree, however, if products have similar characteristics they can be put together and not needed to be on different lines.  Disagree. However, please note that concerning the item “Additional information: gross BE for different countries” a materiality threshold applies. Only specify countries representing up to 90% of the BE (referred to direct business) for a certain Line of business should be reported, with rest in “other-EEA” or “other-non EEA” |
| 1. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Benefits | Please refer to cell TP - F1 & F1Q – Benefits. | | Noted |
| 2. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Costs | Please refer to cell TP – F1 & F1Q – Costs. | | Noted |
| 3. | A.M. Best Europe - Rating Services Ltd | | | TP – E1 & E1Q – Disclosure | We consider it important to have some public disclosure on the non-life technical provisions of an undertaking. We agree that the annual template is geared more towards regulatory requirements and therefore may be too detailed for publication.  We suggest, however, that in addition to the information scheduled to be included in the public template, the geographical split should also be included, albeit with higher materiality thresholds. Making this information private would be a retrograde step for some markets (e.g. UK) where this information has been public for several years. | | Do not agree, taking into consideration the difficulties of split the data by countries (and the probable approximation needed) |
| 4. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Disclosure | Please refer to TP – F1 & F1Q – Disclosure. | | Noted |
| 5. | KPMG | | | TP – E1 & E1Q – Disclosure | Would suggest that where firms use an interest rate other than risk free this is disclosed | | Agree: this is an open issue that depends from the outcome of the introduction of MP / CCP currently under discussion. |
| 6. | RSA Insurance Group plc | | | TP – E1 & E1Q – Disclosure | We agree that form E1Q should form the basis of public disclosure. | | Noted |
| 7. | Czech Insurers Association | | | TP – E1 & E1Q – Frequency | TP- E1-E7 – calculation of TP best estimates is very time and capacity-consuming. That is why we suggest not to report these values quarterly but on year basis. Generally we suggest to reduce frequency of Technical provison reports. | | Don’t agree: the quarterly calculation of the BE is required for the quarterly calculation of the Minimum Capital Requirement. |
| 8. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Frequency | Please refer to cell TP – F1 & F1Q – Frequency.  We question why the risk margin should be reported on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or we suggest using an approximation based on last annual risk margin. For example, keeping the same risk margin/BE ratio over the year. | | The quarterly calculation of the RM is necessary to have a total amount of the TP; furthermore, (draft) L2 provides some simplification for the calculation during the year. |
| 9. | The Directorate General Statistics (DG-S) of the E | | | TP – E1 & E1Q – Frequency | Please refer to BS-C1 – Frequency | | Noted |
| 10. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Groups | We welcome the decision to remove this template from group reporting. | | Noted |
| 11. | The Directorate General Statistics (DG-S) of the E | | | TP – E1 & E1Q – Groups | Please refer to BS-C1 – Groups | | Noted |
| 12. | UNESPA – Association of Spanish Insurers | | | TP – E1 & E1Q – Groups | As has been commented in the general comments, some templates arise specific problems for insurance groups widely located in non-EEA markets; problems that should be solved permitting some kind of simple estimations in the case of these markets. | | Noted |
| 13. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Materiality | Please refer to cell TP – F1 & F1Q – Materiality. | | Noted |
| 14. | RSA Insurance Group plc | | | TP – E1 & E1Q – Materiality | The “up to 90%” requirement is unclear: given the stated “up to 90%” requirement, we presume that either there a minimum requirement that has yet to be specified, or that this actually means “at least 90%”. Please clarify this.  We believe the 90% limit is too high and that – in line with existing Solvency I practice in certain member states – 80% should be used instead. | | I think the requirement is clear “specify countries representing up to 90% of the BE ... with the rest in other” |
| 15. | German Insurance Association (GDV) | | | TP – E1 & E1Q – Purpose | Please refer to TP - F1 & F1Q – Purpose. | | Noted |
| 16. | AMICE | | | TP – E1 & E1Q- General | Quarterly Reporting  The LOG document states that approximations, according to article 82 Level 1 text, could be used for quarterly reporting as no perfect reconciliation is required for Technical Provisions Life (F1Q). We question why approximations are not allowed when reporting quarterly information on Non-Life Technical Provisions.  Use of approximations should be allowed as it would be very difficult to produce the information requested on technical provisions and risk margin on a quarterly basis.  \*\*\*  A huge effort will be required to find and report salvage and subrogations data, and we do not understand the need for this information. Today the actuaries estimate TP net of salvage and subrogations and this is how the statistics are available.  \*\*\*  We need guidance concerning on how to report the workers compensation annuities, motor annuities and other accident annuities in the templates. For example some annuities will start as claim reported as incurred under “non-annuities” and then as the claims handling proceeds it might be converted to annuities. More guidance is needed on how this should be reflected in the templates.  \*\*\*  We would prefer a reporting based on accident year as this is how the data is available and reported internally and presented externally  \*\*\*  It is of particular importance that the different lines of business are consistently defined throughout the templates. Furthermore, a materiality level for lines of business should be considered. | | The QRT don’t specify when approximation can be used or not, it’s up the undertakings (following art. 82 L1 and L2/L3) make this decision.  S&S are not required separately (as in the pre-consultation version) but are included in Other cash-in flows (see A37/Q37 and A41/P41 cells). Stakeholders comments already taken on board.  Guidance on how to report annuities are already included in the LOG of E3 and F4.  Reporting based on AY possible, if NSA didn’t prescribe a different principle (see LOG for E3)  LoB are consistent in all templates (following the segmentation introduced in (draft) L2).  Materiality doesn’t apply with regards to the minimum segmentation (required by draft L2); see also “materiality threshold” indications in Summary documents. |
| 17. | CEA | | | TP – E1 & E1Q- General | Please refer to TP – F1 & F1Q – General.  Further guidance is required on how to report workers compensation annuities, motor annuities and other accident annuities in these templates. For example some annuities will start as “claim reported as incurred” under “non-annuities” and then as the claims handling proceeds, it might be converted to “annuities”.  In some countries, for example Belgium and Portugal, workers compensation is split between NL guarantees and SLT annuities. The same is true for MTPL and general liability insurance in Finland. There remains a question over where they should be reported i.e. TP – F1 – A6; TP – F1 – A10 or TP – E1 – C1, D1, H1. Clarification from EIOPA would be helpful in this respect.  \*\*\*  The split between gross and net total best estimate still remains in this template but has been removed in TP-F1 & F1Q. We question why these two templates are not consistent in this respect.  \*\*\*  It may be the case that segmentation into the HRG takes place before splitting into LOB; in such cases there will be a problem in that the best estimate derived from one homogenous risk group may populate more than one LOB.  \*\*\*  The splitting of gross best estimate by country will be problematic, particularly for LOBs that are considered global (e.g. marine/aviation/transport business) and multi-territory policies.  \*\*\*  As allocated loss adjustment expenses are calculated on a file by file basis, these are not available separated from outstanding loss reserves.  \*\*\*  The need to split out intra-group reinsurance (either accepted or ceded) may cause some difficulties for undertakings where it is netted at present.  \*\*\*  Further clarification should be given on whether the entries for “recoverables from reinsurance and SPV” require a segmentation or allocation of those items. For proportional reinsurance these two would coincide. But in case of non-proportional reinsurance recoverables, they would be segmented into the four segments for non-proportional reinsurance only (in the table columns marked with (13) – (16). Whereas in allocation, the choice of segment would be based on the segmentation of the underlying direct (or accepted) reinsurance obligation.  The preferred choice would be to use allocation instead of segmentation for the recoverables, because net Best Estimate by LOB are required for the calculation of the reserve risk for Non-life and Health underwriting risk modules. This basis for segmentation should be described in the LOG in order to achieve harmonised application. | | Guidance on how to report annuities are already included in the LOG of E3 and F4.  Noted  Don’t agree: HRG are subdivision of a specific LoB.  \*\*  The problem has been already solved:  *After the pre-consultation EIOPA changed the approach from the “localization of risk” to a mixed approach based on:*  *– localization of risk for the following LoBs (Medical expense, Income protection, Workers’ compensation, Fire and other damage to property and “Credit and suretyship)*  *- country of* *underwriting: as default for all LoB.*  *Furthermore, the BE by country are required for the direct business only (excluding accepted reinsurance)*  Not clear what is the request here  Intra-group split is not more requested (deleted after pre-consultation).  Specific guidelines to address this issue will be incorporate in the L3 on Actuarial Guidelines. |
| 18. | CFO Forum & CRO Forum | | | TP – E1 & E1Q- General | The completion of the template requires significant effort and it is not feasible in reasonable quality within the suggested time frame. This is true especially for the annual template.  Quarterly template:  The calculation of the risk margin is not mandatory to be performed, but the risk margin could be derived from prior calculations. To split the approximated risk margin onto segments, does not provide sufficient information, as there are two approximations are used, the risk margin itself and also the split onto segments. Therefore the split on segments should be skipped. It seems to be sufficient to split the risk onto life non-life business, if applicable.  \*\*\*  Annual template:  The business split according EEA member states as well as non EEA member states regarding technical provisions seems not appropriate due to the following reasons:  (1) their calculation is usually performed on a higher aggregated level than on a single country basis, i.e. homogeneous risk groups cover more than one country (e.g. Germany and Austria might be seen as homogeneous risk groups),  (2) as already stated in the comment on “Cover – A1 – cell A19”, the split on country is not feasible for some segments. Especially for Marine/ Transport, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown. Or for Health insurance, the insured person might also be insured on travelling – also no country could be assigned. Regarding accepted non-life business from reinsureres, the split on countries where the risk is located, is much more difficult than for direct business.  (3) the classification of risks as required here is in most cases concerning non-Life business more detailed than the minimum segmentation requirement for the calculation of technical provisions. The classes regarding sickness and accident as set out in the Annex 1 of the Framework Directive do not match with the required minimum segmentation for calculating the technical provisions.  Therefore, the technical provisions have to be distributed on a different level of detail than used for calculating them by using an allocation algorithm, with the disadvantage, that the allocation algorithm could only be seen as an approximation and does not reflect the “real situation”.  \*\*\*  We still oppose the split of reinsurance recoveries into:  - Recoveries from SPVs  - Recoveries from Finite Reinsurance  - Other reinsurance Recoveries  While this is required to be split out in various texts, we still do not see the value in this. | | 1) The quarterly calculation of the RM is necessary to have a total amount of the TP; furthermore, (draft) L2 provides some simplification for the calculation during the year.  2) don’t agree on the split by LoB: (draft) L2 states that risk margin must ne be calculated for the whole portfolio of insurance obligations and allocated to the lines of business.  Disagree. However, please note that concerning the item “Additional information: gross BE for different countries” a materiality threshold applies. Only specify countries representing up to 90% of the BE (referred to direct business) for a certain Line of business should be reported, with rest in “other-EEA” or “other-non EEA”.  LoB are consistent with the segmentation introduced in (draft) L2.  Draft L2 requires a separate calculation and there’s no reason for not reporting it separately. |
| 21. | Groupe Consultatif | | | TP – E1 & E1Q- General | Row 68 use of terms simplified or non-simplified methods – how do you define one method to be simplified or not? As per GC previous comments we do not believe this is an appropriate term given there is a range of methods and it is not ‘black and white’ | | Agree: the requirement was deleted from QRT and moved to the narrative reporting. |
| 19. | Deloitte Touche Tohmatsu | | | TP – E1 & E1Q- General | More guidance required. It should be specified whether all amounts are to be converted to reporting currency at the evaluation date. | | The LOG already states that:  “*Undertakings must take into account in E1/E1Q all the obligations in different currencies and convert them in the reporting currency*” |
| 20. | German Insurance Association (GDV) | | | TP – E1 & E1Q- General | Please refer to TP – F1 & F1Q – General.  The completion of the template requires big effort and it is not feasible in reasonable quality within the suggested time frame. This is true especially for the annual template.  The definition of LoBs is not fully compatible with the segmentation that is used by many insurers. Hence, the LoB breakdown should allow for more flexibility to have risk management, risk reporting and financial reporting being fully align.  Quarterly template:  The calculation of the risk margin is not mandatory to be performed, but the risk margin could be derived from prior calculations. To split the approximated risk margin onto segments, does not provide sufficient information, as there are two approximations are used, the risk margin itself and also the split onto segments. Therefore the split on segments should be skipped. It seems to be sufficient to split the risk onto life non-life business, if applicable.  Annual template:  The business split according EEA member states as well as non EEA member states regarding technical provisions seems not appropriate due to the following reasons:  (1) their calculation is usually performed on a higher aggregated level than on a single country basis, i.e. homogeneous risk groups cover more than one country (e.g. Germany and Austria might be seen as homogeneous risk groups),  (2) as already stated in the comment on “Cover – A1 – cell A19”, the split on country is not feasible for some segments. Especially for Marine/ Transport, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown. Or for Health insurance, the insured person might also be insured on travelling – also no country could be assigned. Regarding accepted non-life business from reinsureres, the split on countries where the risk is located, is much more difficult than for direct business.  (3) the classification of risks as required here is in most cases concerning non-Life business more detailed than the minimum segmentation requirement for the calculation of technical provisions. The classes regarding sickness and accident as set out in the Annex 1 of the Framework Directive do not match with the required minimum segmentation for calculating the technical provisions.  Therefore, the technical provisions have to be distributed on a different level of detail than used for calculating them by using an allocation algorithm, with the disadvantage, that the allocation algorithm could only be seen as an approximation and does not reflect the “real situation”.  It may be the case that segmentation into the HRG takes place before splitting into LOB; in such cases there will be a problem in that the best estimate derived from one homogenous risk group may populate more than one LOB.  The splitting of gross best estimate by country will be problematic, particularly for LOBs that are considered global (e.g. marine/aviation/transport business) and multi-territory policies. We note that this requirement has been removed from QIS5 and we would request that this is reflected in this template The split between gross and net total best estimate has been resolved in TP – F1 and we question why this is not the same in TP – E1.  As allocated loss adjustment expenses are calculated on a file by file basis, these are not available separated from outstanding loss reserves.  The need to split out intra-group reinsurance (either accepted or ceded) may cause some difficulties for undertakings where it is netted at present.  Further clarification should be given on whether the entries for “recoverables from reinsurance and SPV” require a segmentation or allocation of those items. For proportional reinsurance these two would coincide. But in case of non-proportional reinsurance recoverables, they would be segmented into the four segments for non-proportional reinsurance only (in the table columns marked with (13) – (16). Whereas in allocation, the choice of segment would be based on the segmentation of the underlying direct (or accepted) reinsurance obligation.  If the amount of non-proportional reinsurance is not material, it should be allowed to include the respective figures into the LoBs 1-12 (direct business and proportional reinsurance). Providing the non-material non-proportional reinsurance figures separately would be burdensome for insureres where internally there is no distinction between proportional and non-proportional reinsurance due to the very small size of the non-proportional business.  We still oppose the split of reinsurance recoveries into:  - Recoveries from SPVs  - Recoveries from Finite Reinsurance  - Other reinsurance Recoveries  While this is required to be split out in various texts, we still do not see the value in this.  Further clarification required:   It is required to explicitly report “cash in-flows from salvage and subrogation”. In the IM Article 21bis there is a restriction on “payments for salvage and subrogation to the extent that they do not qualify as separate assets or liabilities in accordance with international accounting standards”. Moreover, in IM Art. 30 TP17 (Non-life insurance contracts) those cashflows have been deleted.   Receivables and liabilities from reinsurance contracts (Depotforderungen bzw. -verbindlichkeiten)  Is it possible to dispense discounting of those items provided they are not material? How to provide evidence of inmateriality?   General remark TP:  Please provide clarification in relation to the technical provision of the small portion of the portfolio not modelled: is it necessary to rescale this amount on the modelled technical provision? | | The segmentation is a requirement of SII  The quarterly calculation of the RM is necessary to have a total amount of the TP; furthermore, (draft) L2 provides some simplification for the calculation during the year.  The segmentation is a requirement of SII    See the answer to the same question (comment n. 17)  See the answer to the same question (comment n. 17)  See the answer to the similar comment n° 17.  See the answer to the similar comment n° 17.  See the answer to the similar comment n° 17.  The segmentation requested by SII must be followed.  See the answer to the similar comment n° 18.  S&S are not more requested: they have been included in “Other cash-in flows”  This is not a reporting issue, the requirement for the calculation of TP should be applied.  This is not a reporting issue, the requirement for the calculation of TP should be applied. |
| 22. | ING Group Data modelling team | | | TP – E1 & E1Q- General | There seems to be an error in the Template E1Q with the letters assigned to the columns, there is a gap between I and L and Q is used double.  It would be better to use the same column letters on this report as on TP-E1. | | Agree: template changed |
| 23. | KPMG | | | TP – E1 & E1Q- General | No split between claims outstanding and IBNR – we believe this split (at least at a high level) would be beneficial to assess changes in the reserving strength | | According to new requirement requested by SII, provisions for claims outstanding relate to the CF stemming from events occurring before/at the valuation date, including IBRN. |
| 25. | The Directorate General Statistics (DG-S) of the E | | | TP – E1 & E1Q- General | Please refer to BS-C1 – General  For ESCB/ESRB the information required includes a breakdown of the geographical residency and institutional sector of the counterparts. In the technical provisions templates for non-life, there is no information available on counterpart sector and geographical area.  Regarding the issue of geographical breakdown for technical provisions, this information could be partially derived from this template as it comprises a breakdown of technical provisions by country, if the information cannot be derived from templates BS-C1 or K1. However, it is based on criteria which are not compliant with the statistical needs of the ECB/ESCB since for non-life LoBs 1,2,3,7,and 9, the country reported is the one of the localization of the risk and not the country of underwriting. Besides, only the gross best estimate part of the technical provisions is thus split up, and only direct business for non-life LoBs.  Regarding the missing counterpart sector information it is proposed to report the counterpart sectors for non-life technical provisions, at least at annual frequency, in templates TP-E1 and/or TP-E1Q. Alternatively, the approximate percentage shares of counterpart sectors (e.g. households, non-financial corporations, etc.) by line of business at annual frequency may be considered. | | A mixed criteria applies, since in some case the country of underwriting criteria is not applicable taking into consideration the particular business.  This requirement was criticized by all stakeholders involved in the pre-consultation, since the information does not fit the insurance business. |
| 26. | The International Group of P&I Clubs | | | TP – E1 & E1Q- General | This form requires an analysis of technical provisions by country. For the reasons set out above in relation to forms A1 and K1, further guidance on how the location of claims is determined is needed. | | The criteria how to allocate the Best Estimate by country are included in the LOG. |
| 27. | CEA | | | TP – E1 & E1Q-Benefits | Please refer to cell TP-F1 & F1Q – Benefits. | |  |
| 28. | CEA | | | TP – E1 & E1Q-Costs | Please refer to cell TP – F1 & F1Q – Costs. | |  |
| 29. | CEA | | | TP – E1 & E1Q-Disclosure | Please refer to TP – F1 & F1Q – Disclosure. | |  |
| 30. | CEA | | | TP – E1 & E1Q-Frequency | Please refer to cell TP – F1 & F1Q – Frequency.  We question why the risk margin should be reported on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or we suggest using an approximation based on last annual risk margin. For example, keeping the same risk margin/BE ratio over the year. | | See answer to similar comment n° 18. |
| 31. | CEA | | | TP – E1 & E1Q-Groups |  | |  |
| 32. | CEA | | | TP – E1 & E1Q-Materiality | Please refer to cell TP – F1 & F1Q – Materiality. | |  |
| 33. | CEA | | | TP – E1 & E1Q-Purpose | Please refer to TP-F1 & F1Q – Purpose. | |  |
| 34. | German Insurance Association (GDV) | | | TP – E1- cells A1-P1 | Clarification is required on whether this is calculated gross or net of reinsurance. If it is gross, then it is unclear how the reinsurance element is reported for derivation of net provisions.  More clarification is required regarding Solvency II LOBs on “medical expenses insurance” and “income protection insurance”. Solvency II LOB classification is understood to be risk based. Does it mean as a result that medical expenses of, for example, MTPL are to be included in “medical expenses” in Solvency II LOB classification?  Further guidance should be provided on how Workers’ Compensation should be reported in this template. In particular, whether EIOPA view this as a life or non-life LOB? | | The LOG is clear on that issue.  The segmentation requested by SII must be followed. |
| 35. | Foyer S.A. | | | TP – E1 Q- cells A1-R1 | Best Estimate on quarterly basis !!! | | (BE on a quarterly basis are requested for the calculation of the quarterly MCR. |
| 36. | CEA | | | TP – E2- Benefits | Please refer to cell TP – F2 – Benefits. | |  |
| 37. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- Benefits | See FNMF comments on TP – E3- General | |  |
| 38. | German Insurance Association (GDV) | | | TP – E2- Benefits | Please refer to cell TP – F2 – Benefits. | |  |
| 39. | Groupe Consultatif | | | TP – E2- Benefits | For the stated benefit a more summarized approach would be sufficient. A breakdown into gross and recoverables, cash in– and outflow and separately for benefits and expenses or premium and other does not seem to add additional value and is potentially not directly available from capital models. | | The separate projection of different type of Cash in/out flows is a new and important requirement of the calculation of TP under SII; so it shouldn’t be a problem to report this level of detail (i.e. the entire NL business, and not LoB-by-LoB).  Furthermore, the template was simplified in comparison to the pre-consultation version (not CF in/out flows for BE and no split of recoverable for PP/CP but only the total). |
| 40. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells A1-A31 | See FNMF comments on TP – E3- General | |  |
| 41. | RSA Insurance Group plc | | | TP – E2- cells A1-A31 | We presume that, if the option for a simplified premium provision calculation is available (based on the current unearned premium provision), undertakings may – depending on proportionality – place the cashflow in Year 1 only. | | Reporting by undertakings that use simplifications need to be addressed after OMBII and Level 2 |
| 42. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells B1-B31 | See FNMF comments on TP – E3- General | |  |
| 43. | German Insurance Association (GDV) | | | TP – E2- cells B1-B31 | A clear definition is required for future expenses and other cash outflows, for example the parts of overhead expenses that should be included. It is our opinion that future expenses should include those components that cannot be directly attributed to a particular claim. | | This is not a reporting issue, the requirement for the calculation of TP should be applied, i.e. the same CFs considered for the calculation must be reported (Cash flows are discussed in L2 text). |
| 44. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells C1-C31 | See FNMF comments on TP – E3- General | |  |
| 45. | German Insurance Association (GDV) | | | TP – E2- cells C1-C31 | Further clarification required   A clear definition is required for future premiums i.e. how far ahead would it be required to project future premium receipts? | | This is not a reporting issue, the requirement for the calculation of TP should be applied, i.e. the same CFs considered for the calculation must be reported (Cash flows are discussed in L2 text). |
| 46. | AMICE | | | TP – E2- cells D1-D31 | The Contract Boundary definition in Level 2 limits the situations where future premiums will fall within the boundaries of a non-life contract. | | Noted |
| 47. | Danish Insurance Association | | | TP – E2- cells D1-D31 | The headline of this section is “Best Estimate of claims provision” the subsection however relates to future premiums, and hence a proper headline would be “Best Estimate of premium provisions” | | This is not a reporting issue, the requirement for the calculation of TP should be applied, i.e. the same CFs considered for the calculation must be reported (Cash flows are discussed in L2 text). |
| 48. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells D1-D31 | See FNMF comments on TP – E3- General | |  |
| 49. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells E1-E31 | See FNMF comments on TP – E3- General | |  |
| 50. | RSA Insurance Group plc | | | TP – E2- cells E1-E31 | As in form TP-E1, salvage and subrogation is not normally considered separately in general insurance, so identifying such amounts will be onerous. Indeed, the draft L2 text (Article 21bis, November 2011 draft Level 2 text) does not require such amounts to be valued separately from other cashflows when calculating technical provisions.  During our recent dry-run exercise, none of our operations were able to produce these data within the allotted time: this was not surprising, given that such data are not required at all for running the business and is not expected to be needed under Solvency II either.  These requirements ought not to go beyond the regulatory text. We believe that, if reserves are to be calculated net of salvage and subrogation, disclosure should also reflect this. | | See answer to comment 717 |
| 51. | Association of British Insurers (ABI) | | | TP – E2- cells F1-F31 | Whilst we welcome the reduction in reporting detail, we do not understand the benefit of combining both premium and claims provisions reinsurance recoverables. We also question why the claims provision cash flows are not condensed in the same way as those for the premium provisions. | | See answer to comment n. 52. |
| 52. | CFO Forum & CRO Forum | | | TP – E2- cells F1-F31 | Whilst we welcome the reduction in reporting detail, we do not understand the benefit of combining both premium and claims provisions reinsurance recoverables | | Agree: new columns with the split for the BE of Premium Provision was added. |
| 53. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- cells F1-F31 | See FNMF comments on TP – E3- General | |  |
| 54. | RSA Insurance Group plc | | | TP – E2- cells F1-F31 | We suggest that the heading be changed to replace “(after the adjustment)” with “(after provision for counterparty default)” in line with the LOG definition and to improve clarity. | | Do not agree, the wording is aligned with L1 (art. 81). |
| 55. | CEA | | | TP – E2- Costs | Please refer to cell TP – F2 – Costs.  Changing to a cash flow based approach will incur considerable costs and resources for many undertakings where actuarial methods have worked sufficiently well to date. | | This is not a reporting issue but a change imposed by Solvency II (i.e. the Movement to a cashflow basis for valuation of both gross business and reinsurance). |
| 56. | Federation of Finnish Financial Services | | | TP – E2- Costs | So far the actuarial methods have been sufficient for reserve levels and worked very well. Changing to cash flow based approach requires considerable amounts of resources.  If in and out cash flows are required separately, it will involve substantial costs for us. | | This is not a reporting issue but a theoretical approach adopted by SII Directive.  Please see answer to comment N. 50 |
| 57. | FNMF – Fédération Nationale de la Mutualité | | | TP – E2- Costs | See FNMF comments on TP – E3- General | |  |
| 58. | German Insurance Association (GDV) | | | TP – E2- Costs | Please refer to cell TP – F2 – Costs.  Changing to a cash flow based approach will incur considerable costs and resources for many undertakings where actuarial methods have worked sufficiently well to date. | | Please see answer to comment N. 50. |
| 59. | Groupe Consultatif | | | TP – E2- Costs | Costs are reasonable as long as the report is limited to aggregate information. The break-down into inflow and outlflow might require additional efforts when not prepared in such a detail for the capital calculation. This would be onerous and misleading e.g. when ex-post re-allocation were to be employed to provide details beyond capital calculation. | | See answer to comments n. 39. |
| 60. | CEA | | | TP – E2- Disclosure | Please refer to TP – F2 – Disclosure. | |  |
| 61. | German Insurance Association (GDV) | | | TP – E2- Disclosure | Please refer to TP – F2 – Disclosure. | |  |
| 62. | AMICE | | | TP – E2- General | Projection of future cash flows ( Best Estimate – Non Life) | |  |
| 63. | CEA | | | TP – E2- General | Please refer to cell TP – F2 – General for comments on cash flow projections.  Undertakings do not have sufficient run-off data for the application of actuarial methods to estimate the future cash flows and as such, the proposed approach will be difficult to implement. In addition, it may be very complex to identify the cash flows of future premiums.  This template could be restricted to cases when the supervisor believes that closer supervision is necessary, for example if an undertaking breaches some limits. | | The separate projection of different type of Cash in/out flows is a new and important requirement of the calculation of TP under SII.  Is it a problem of transition to the new regime? |
| 64. | CFO Forum & CRO Forum | | | TP – E2- General | This template will be particularly burdensome to complete.  Please note that for gross business and recoverable from reinsurance there might be some distortions because of different LoBs for primary insurance gross business/assumed proportional reinsurance and non-proportional ceded business.  As the recoverable from reinsurance contracts have to be segmented into homogeneous risk groups (Art.81 of the Directive), this would imply, that proportional ceded business is separated from non-proportional ceded business. Therefore a primary company will show the reinsurer’s share – proportional business - within the same segment as the gross business, whereas the reinsurer’s share – non-proportional business – will be shown within the respective non-proportinal segment. In case where the insurer accepts some non-proportional business, this has to be interpreted carefully.  In addition, for reinsurers the retroceded part of their business could be even more irritating regarding segmentation; assumed business could be non-proportional, whereas ceded part could be retroceded as proportional business. | | E2 is required for the entire NL business (not split by LoB), so this is comment – referred to the implication of reinsurance - is not clear. |
| 65. | Deloitte Touche Tohmatsu | | | TP – E2- General | It should be clarified whether all amounts are to be converted to reporting currency at the evaluation date. | | The LOG states that: “Undertakings must take into account all the cash flows in different currencies and covert them in the reporting currency” |
| 66. | Federation of Finnish Financial Services | | | TP – E2- General | Normal reserving method in non-life companies estimate total reserve levels. This approach would overhaul that general principle and would require drastic changes to methods currently used.  This sheet might be of use for the supervisor if more close supervision is needed, e.g. if a company breaches some limits. | | Noted. |
| 67. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- General | See FNMF comments on TP – E3- General | |  |
| 68. | German Insurance Association (GDV) | | | TP – E2- General | Please refer to cell TP – F2 – General for comments on cash flow projections.  Undertakings do not have sufficient run-off data for the application of actuarial methods to estimate the future cash flows and as such, the proposed approach will be difficult to implement. In addition, it may be very complex to identify the cash flows of future premiums.  This template could be restricted to cases when the supervisor believes that closer supervision is necessary, for example if an undertaking breaches some limits.  Please note that for gross business and recoverable from reinsurance there might be some distortions because of different LoBs for primary insurance gross business/assumed proportional reinsurance and non-proportional ceded business.  As the recoverable from reinsurance contracts have to be segmented into homogeneous risk groups (Art.81 of the Directive), this would imply, that proportional ceded business is separated from non-proportional ceded business. Therefore a primary company will show the reinsurer’s share – proportional business - within the same segment as the gross business, whereas the reinsurer’s share – non-porportinal business – will be shown within the respective non-proportinal segment. In case where the insurer accepts some non-proportional business, this has to be interpreted carefully.  In addition, for reinsurers the retroceded part of their business could be even more irritating regarding segmentation; assumed business could be non-proportional, whereas ceded part could be retroceded as proportional business. | | Please see answer to comment N. 56. |
| 69. | Groupe Consultatif | | | TP – E2- General | The level of detail required is beyond what is necessary to fulfil the stated purpose and details are not necessarily directly available from the underlying model which is supposed to be reported.  Detailed breakdown of claims provisions, but not of premium provisions. Unclear to us why more is not required on the premium side, as premium is more relevant given profitability – potentially the level of reporting details could be reduced for the claims provisions. Similar comments applies to E1 in the detailed split | | Agree, see answer to comment n. 52. |
| 70. | KPMG | | | TP – E2- General | The breakdown of cashflows is of a higher level than in the TP worksheet. It may make it more difficult to understand how the TP are related to these cashflows.  Requesting the entire development triangle in a consistent format we believe makes sense and would be an improvement over the current FSA return data. However, the forms do not contain any exposure information. If regulators are assessing whether « provisoning is sufficient » then they will also need to understand the amount of exposure. This is particularly to estabish the reserve adequacy on the later years. This omission will in our opinion significantly reduce the value to supervisors. | | Noted.  Noted. |
| 72. | RSA Insurance Group plc | | | TP – E2- General | We recommend that this form be simplified, such that four claims provision columns are merged into one. We do not see why the claims provision columns have not been simplified since the January 2011 QRTs but the premium provision columns have. Given that it is not required to separate cash inflows and cash outflows to calculate the technical provisions (Article 21bis, November 2011 draft Level 2 text), we do not see why these are separated for disclosure. | | Do not agree.  We don’t think this is the message of Level 2, the movement to the CF approach for the valuation of TP is the core principle of SII. |
| 73. | CEA | | | TP – E2- Materiality | Please refer to TP – F2 – Materiality. | |  |
| 74. | German Insurance Association (GDV) | | | TP – E2- Materiality | Please refer to TP – F2 – Materiality. | |  |
| 75. | AMICE | | | TP – E2- Purpose | EIOPA states that this template aims at giving an overview of the future cash flows expected to be required to settle the insurance obligations. However EIOPA is not providing any guidance as to how the template should be filled out when approximations are used to derive the best estimate of premium and claims provisions. Additionally the structure of the information requested in this template is more appropriate for life business rather than non-life business | | Reporting by undertakings that use simplifications need to be addressed after OMBII and Level 2 |
| 76. | CEA | | | TP – E2- Purpose | Please refer to cell TP – F2 – Purpose. | |  |
| 77. | Deloitte Touche Tohmatsu | | | TP – E2- Purpose |  | |  |
| 78. | FNMF - Fédération Nationale de la Mutualité | | | TP – E2- Purpose | See FNMF comments on TP – E3- General | |  |
| 79. | German Insurance Association (GDV) | | | TP – E2- Purpose | Please refer to cell TP – F2 – Purpose. | |  |
| 80. | Lloyd’s | | | TP – E3- Purpose | The default length of the triangles has been set at 15 years. We propose that the default length of the triangles should be set at 10 years in the first year of Solvency II reporting ie 2014, but this should be increased gradually year by year to 15 years. By setting this at 10 years, the template would be consistent with E4 that also requires 10 years of historical data and also IFRS. | | See answer to the comment n. 170 (it is not requested to report mandatory the full the triangle filled in with 15y but to report according the claims development of undertakings). |
| 81. | CEA | | | TP – E3- Benefits | It is the intention for supervisors to use these triangles in a mechanical way however this is not the way in which undertakings use them at present. They are used in specific cases to, for example, analyse large claims or clean/adapt to derive RBNI reserves.  \*\*\*  We do not agree that supervisors need reinsurance recoveries in this format to assess if technical provisions are well calculated. Gross to net ratios could be used without using such granular information. | | The intention is to use these data per supervisory purposes (but not in mechanical way); furthermore, it’s worth noting that information about run-off triangle are requested by IFRS (in the public disclosure – see also AM Best comment n. 167) and recommended by IAIS ICP in the public disclosure (ICP 20).  Do not agree: under SII reinsurance recoverable are required to be calculated following the same approach as of the gross TP (i.e. projection of future cash flows) in the direct method; the current lack of data from can be seen as a transitional problems. |
| 82. | CFO Forum & CRO Forum | | | TP – E3- Benefits | As development triangles per currency are not necessary in many cases for actuarial projections, and a split into different currencies does not provide added value, no benefit is provided on reporting development triangles per currency, as long as the undertaking can make sure, that discounting is based on the relevant currencies. | | Do not agree: not convinced about the uselessness of development triangles by currency for actuarial projections; also because is a specific SII requirements to calculate TP separately for obligations in different currencies (draft L2 “Currency of the obligation”: The best estimate shall be calculated separately for cash-flows in different currencies). Furthermore, a materiality threshold applies |
| 83. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- Benefits | See FNMF comments on TP – E3- General | |  |
| 84. | German Insurance Association (GDV) | | | TP – E3- Benefits | It is the intention for supervisors to use these triangles in a mechanical way however this is not the way in which undertakings use them at present. They are used in specific cases to, for example, analyse large claims or clean/adapt to derive RBNI reserves etc.  We do not agree that supervisors need reinsurance recoveries in this format to assess if TP are well calculated. Gross to net ratios could be used without using such granular information.  As development triangles per currency are not necessary for actuarial projections, and a split into different currencies does not provide added value, no benefit is provided on reporting development triangles per currency, as long as the undertaking can make sure, that discounting is based on the relevant currencies. | | See answer to comments n. 81 and 82. |
| 85. | Groupe Consultatif | | | TP – E3- Benefits | We do not believe that it is possible to assess the sufficiency of claims provisioning by collecting detailed and granular historical data as a more complex valuation process and additional non-quantitative information would be necessary at least in most relevant situations. | | The intention is to use these data per supervisory purposes; furthermore, it’s worth noting that information about run-off triangle are requested by IFRS (in the public disclosure – see also AM Best comment) and recommended by IAIS ICP in the public disclosure (ICP 20) |
| 86. | Deloitte Touche Tohmatsu | | | TP – E3- cells A00 | Does it assume that the undertaking should sum up all Homogeneous Risk Groups within a particular LoB? | | Yes. |
| 87. | German Insurance Association (GDV) | | | TP – E3- cells A00 | By requesting information per LOB and currency (A04) could result in a large number of combinations, therefore this template would be reported multiple times. | | See answer to comment n. 82 |
| 88. | AMICE | | | TP – E3- cells A01 | We also query about the nature of the information expected in cells A01 (method) and A02 (tail factor). The information on cells A01 (method) and A02 (tail factor) should be reported by homogeneous risk, in the narrative report. EIOPA should also be reminded that the methods applied are not all identical within a LoB. | | Agree: A01 (method) and A02 (tail factor) have been removed; a narrative description is requested to be reported in the narrative reporting. |
| 89. | Deloitte Touche Tohmatsu | | | TP – E3- cells A01 | One may use a combination of different methodologies in order to estimate the provisions. Should they all be specified? | | See answer to comment n. 88 |
| 90. | German Insurance Association (GDV) | | | TP – E3- cells A01 | It was indicated that not every method used will have a specific name. A number of different actuarial methods may be used or considered when calculating claim provisions for a given LOB.  Is it to be assumed that more than one method can be listed? In such cases the list could run to several paragraphs as, for example, different methods could be used for different accident years. Tail factors may not be unique for all years. | | See answer to comment n. 88 |
| 91. | Groupe Consultatif | | | TP – E3- cells A01 | There is no pre-defined exhaustive list of methodologies and in practice a blend of different methods can be applied to different portions of the claims (e.g. Bornhuetter-Ferguson on incurred data for the latest two years, chain-ladder on paid data for all previous years until year 10 and weighted average of chain-ladder and a frequency-severity-method for all other). It is not meaningfully possible to report this via a template. | | See answer to comment n. 88 |
| 92. | KPMG | | | TP – E3- cells A01 | The requirement to specify one methodology is too simplistic. In most cases a combination of methods could be used, and the data would be split at a more granular level (for instance by claim type) | | See answer to comment n. 88 |
| 94. | RSA Insurance Group plc | | | TP – E3- cells A01 | This is could vary by accident year and it is likely that triangles will be made up of more than one HRG, so this is not useful to fill out. | | Do not agree |
| 95. | AMICE | | | TP – E3- cells A02 | See paragraph above | |  |
| 96. | Crédit Agricole Assurances | | | TP – E3- cells A02 | Could you confirm that it is a numeric factor, not a description? | | See answer to comment n. 88 |
| 97. | Deloitte Touche Tohmatsu | | | TP – E3- cells A02 | One may use a combination of different methodologies in order to estimate the tail factor. Should they all be specified? | | See answer to comment n. 88 |
| 98. | German Insurance Association (GDV) | | | TP – E3- cells A02 | Please refer to E3- cell A01. | |  |
| 99. | Groupe Consultatif | | | TP – E3- cells A02 | The tail factor is only a meaningful information when being part of a reserving methodology, rf. To statement about cell A01 and difficulties arising from it. | | See answer to comment n. 88 |
| 100. | KPMG | | | TP – E3- cells A02 | Note different tail factors could be used if the mix of business has changed. Requiring one tail factor to be specified is over simplistic and hence likely to lead to misinterpretation. | | See answer to comment n. 88 |
| 102. | RSA Insurance Group plc | | | TP – E3- cells A02 | This is could vary by accident year and it is likely that triangles will be made up of more than one HRG, so this is not useful to fill out. Tail factor used could be a word (“Weibull”) or number (“1.0422”) and is not meaningful without context. We recommend this cell be removed. | | See answer to comment n. 88 |
| 103. | Deloitte Touche Tohmatsu | | | TP – E3- cells A04 | Is this the reporting currency – should all other currencies be converted to the reporting currency at the evaluation date? | | See the LOG |
| 104. | German Insurance Association (GDV) | | | TP – E3- cells A04 | By requesting information per LOB (A00) and currency could result in a large number of combinations, therefore this template would be reported multiple times.  For example, in the case of international received reinsurance i.e. multinational /worldwide programmes could incorporate up to 100 different currencies. Separate triangulation in different currencies is not currently reported and we believe this would be unduly burdensome. Particularly for received reinsurance, we question the benefit to supervisors of splitting triangles by currency. We suggest reporting for different currencies up until 90% of the technical provision are reached, then report for all other currencies under “other currencies”  As a general comment on currency, we believe that economic currency and not settlement currency should be used here. This would be more appropriate for risk management purposes. | | See answer to comment n. 764 |
| 105. | ING Group Data modelling team | | | TP – E3- cells A04 | LOG file for report TPE3 says that when reporting LoB in total, reporting currency should be used, and when reporting for separate currencies, the original currency should be used. It also says, that „For the total of currencies (with or without further currency split), it is required to report in cell “currency” the ISO code of all the currencies included in the total.”  This could be confusing, see example:  Reporting currency is CZK, conversion rate is 25 CZK =  1 EUR, BE of claims provision for given LOB are 1000 EUR and ecove the condition for reporting the currency separately. So the report will look like this:  Total: Currency – EUR              Value – 25 000 (converted to reporting currency CZK)  Split by currencies: Currency – EUR                                          Value – 1 000 (in original currency EUR) | | See the LOG |
| 106. | RSA Insurance Group plc | | | TP – E3- cells A04 | We welcome the change in requirements regarding the currency to be used: we believe undertakings should be able to choose between economic and settlement currency.  We question, however, why analysis is required by currency at all: in our group, existing Solvency I reporting across all relevant member states does not request such information. There is also no stated purpose for this analysis in the LOG. We request that analysis be by reporting currency for the LoB in total. | | Not clear the distinction between economic and settlement currency  See answer to comment n. 82 |
| 108. | Association of British Insurers (ABI) | | | TP – E3- cells A17-A31-J16 | As discussed above, Salvage and Subrogation is not identified separately at present, and would involve costly changes to systems and processes to capture, purely to complete this QRT. Please also see comment above regarding transitional requirements. | | The triangle with salvage and subrogation have been deleted. |
| 109. | CFO Forum & CRO Forum | | | TP – E3- cells A17-A31-J16 | As discussed above, Salvage and Subrogation is not identified separately at present, and would involve costly changes to systems and processes to capture, purely to complete this QRT. Please also see comment above regarding transitional requirements. | | The triangle with salvage and subrogation have been deleted. |
| 110. | Federation of Finnish Financial Services | | | TP – E3- cells A17-A31-J16 | We cannot split out salvage and subrogation due to limitations in our base systems. | | The triangle with salvage and subrogation have been deleted. |
| 111. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells A17-A31-J16 | See FNMF comments on TP – E3- General | |  |
| 112. | German Insurance Association (GDV) | | | TP – E3- cells A17-A31-J16 | Salvage and subrogation should be included in claims paid   Data on “Recoverable from salvage and subrogation” may not be readily available for all LOB and business units, as figures net of salvage and subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems.   For NL analysis, it is generally of very little additional benefit to separately report/analyse salvage and subrogation. Instead claims paid are analysed net of salvage and subrogation.   Separate reporting of this item could be very costly indeed since IT-systems generally are not designed to keep, separate, track of these.   We propose to delete salvage and subrogation and include it under claims paid.   Some undertakings manage provisions net of salvage and subrogations etc. Hence the detailed triangle are not compatible with how the risks are managed | | The triangle with salvage and subrogation have been deleted. |
| 113. | Groupe Consultatif | | | TP – E3- cells A17-A31-J16 | Burdensome level of detail and out of proportion in all situations establishing claims provisions net of S&S, which is not untypical and often sufficient. | | The triangle with salvage and subrogation have been deleted. |
| 114. | RSA Insurance Group plc | | | TP – E3- cells A17-A31-J16 | See A1. | |  |
| 115. | Thomas Miller & Co Ltd | | | TP – E3- cells A17-A31-J16 | Claims and claims estimates are generally not separately flagged as salvage and subrogation recoveries when this arises. The cost to mark historical claims as such could be considerable. | | The triangle with salvage and subrogation have been deleted. |
| 116. | Federation of Finnish Financial Services | | | TP – E3- cells A1-A15-J0 | It should be better defined what ot include in J0, J16 and J32. Cumulative or non cumulative amounts of N-15 and prior years? The use of J0 in columns “In current year” and “Sum of years” is contradictory. | | Templates amended |
| 117. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells A1-A15-J0 | See FNMF comments on TP – E3- General | |  |
| 118. | German Insurance Association (GDV) | | | TP – E3- cells A1-A15-J0 | Increase in number of accident / underwriting years and development years too onerous  and not sensible. Applies for all cells. | | See answer to comment n. 170 |
| 119. | Groupe Consultatif | | | TP – E3- cells A1-A15-J0 | Not clear what can be seen from this data itself. | | It’s the Gross Claims Paid triangle. |
| 120. | KPMG | | | TP – E3- cells A1-A15-J0 | Need to be clear that where claims paid has been based on historic exchange rates – should these now be updated to reflect the latest exchange rates? | | This is not a reporting issue. |
| 121. | RSA Insurance Group plc | | | TP – E3- cells A1-A15-J0 | The LOG states gross claims paid should be gross of salvage/subrogation. Given that these data are not necessary to separate out for the calculation for the gross best estimate per the draft L2 text (it is just defined as being part of the gross best estimate – Article 21bis, November 2011 draft Level 2 text), we believe it should not be required for any other part of this template either. We believe that, if reserves are to be calculated net of salvage and subrogation, disclosure should also reflect this. | | The triangle with salvage and subrogation have been deleted. |
| 123. | AMICE | | | TP – E3- cells A33-A47-J32 | Reinsurance recoveries  We wonder whether the third set of triangles (Reinsurance recoverable) should be populated with accounting data; Additionally, we do not see the need for providing a triangle for reinsurance ecoverable; We agree that ecoverable must be calculated following the same approach as of the gross Technical Provisions but undertakings assess the sufficiency of ecoverable and the gross-paid triangles on an aggregated basis. This requirement will put an unnecessary burden on companies.  The information requested should be submitted on a “best effort basis” starting with the last diagonal as the minimum information.  Majority of companies use accident year when building their triangles. | | See comment number 81 |
| 124. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells A33-A47-J32 | See FNMF comments on TP – E3- General | |  |
| 125. | German Insurance Association (GDV) | | | TP – E3- cells A33-A47-J32 | Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.  Reinsurance recoveries are usually not done using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only one line (corresponding here to one column) for their reinsurance triangles. Moreover, reinsurance triangles are notused to calculate best estimate.  Due to the fact that development of reinsurance ecoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including ecoverable development only in an overall basis.  The benefit from reporting reinsurance triangles is not obvious to us in case that the reinsurance is non-proportional as the reinsurance program is tailored to the current need for each reporting period and therefore changes over time. | | See comment number 81 |
| 126. | Groupe Consultatif | | | TP – E3- cells A33-A47-J32 | Depending on how gross to net provisions are calculated, this information might not be available or not meaningful given the business background (e.g. change in reinsurance program). | | See comment number 81 |
| 127. | Association of British Insurers (ABI) | | | TP – E3- cells AE17-AE31-J0 | See comment under A17 – A31 – J16 above | |  |
| 128. | CFO Forum & CRO Forum | | | TP – E3- cells AE17-AE31-J0 | See comment under A17 – A31 – J16 above | |  |
| 129. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells AE17-AE31-J0 | See FNMF comments on TP – E3- General | |  |
| 130. | German Insurance Association (GDV) | | | TP – E3- cells AE17-AE31-J0 | Data regarding Recoverable from salvage and subrogation may not be readily available for all LOB and business units due to figures net of salvage and subrogation being entered on to claims systems. To obtain this data would therefore require potentially extensive and expensive changes in processes and systems. It was also questioned why salvage and subrogations would be split from gross payments.  Increase in number of accident / underwriting years and development years too onerous  and not sensible | | The triangle with salvage and subrogation have been deleted. |
| 131. | Groupe Consultatif | | | TP – E3- cells AE17-AE31-J0 | Burdensome level of detail and out of proportion in all situations establishing claims provisions net of S&S, which is not untypical and often sufficient. | | See the answer to comment n. 109. |
| 132. | RSA Insurance Group plc | | | TP – E3- cells AE17-AE31-J0 | See A1. | |  |
| 133. | Federation of Finnish Financial Services | | | TP – E3- cells AE1-AE15-J0 | 1. The RBNS claims are reserved case by case when the claim is estimated to exceed a predefined threshold. The claims under this threshold are not reserved since it would not enhance the reserving process and accuracy. The table will then increase costs but not increase teh level of reserve accuracy.  2. The accident year approach suites best for the Non-life insurance since the reserving accuracy is more dependent on claim year than the contract entering year.  3. More guidance is needed to handle portfolio transfers. | | Noted  3. Some general guidance in the LOG |
| 134. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells AE1-AE15-J0 | See FNMF comments on TP – E3- General | |  |
| 135. | German Insurance Association (GDV) | | | TP – E3- cells AE1-AE15-J0 | We interpret claims outstanding “claims outstanding” as the individual claims outstanding numbers, recorded on the claims system, rather than the best estimate figure.  We believe it is unclear whether this should be reduced by a standard actuarial exercise which effectively applies an increase or reduction to these estimates at a global rather than individual claim level.  Increase in number of accident / underwriting years and development years too onerous  and not sensible | | In the LOG there is a definition of RBNS |
| 136. | Groupe Consultatif | | | TP – E3- cells AE1-AE15-J0 | Not clear what can be seen from this data itself. | | See the LOG: it’s required to report the RBNS provision. |
| 138. | RSA Insurance Group plc | | | TP – E3- cells AE1-AE15-J0 | See A1. | |  |
| 140. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells AE33-AE47-J0 | See FNMF comments on TP – E3- General | |  |
| 141. | German Insurance Association (GDV) | | | TP – E3- cells AE33-AE47-J0 | Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.  Reinsurance recoveries are usually not done using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only one line (corresponding here to one column) for their reinsurance triangles.  Due to the fact that development of reinsurance recoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including ecoverable development only in an overall basis.  Increase in number of accident / underwriting years and development years too onerous  and not sensible | | See answer to comment n. 81 |
| 142. | Groupe Consultatif | | | TP – E3- cells AE33-AE47-J0 | Depending on how gross to net provisions are calculated, this information might not be available or not meaningful given the business background (e.g. change in reinsurance program). | | See answer to comment n. 81 |
| 144. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells IH1-IE15B | See FNMF comments on TP – E3- General | |  |
| 145. | Groupe Consultatif | | | TP – E3- cells IH1-IE15B | We cannot find these numbers in the template but guess that it refers to the section “Additional Information: Inflation Rates”. It is not clear what actually is required here as the definitions and instructions in the LOG are too vague. It is also not clear how this information – whatever the exact definition might be – would provide by any means sufficient background on the reserving methodology employed and how they would serve the purpose of this template. | | I think the instruction contained in the LOG are quite clear and also this is not a new concept for non-life reserving.  The main scope is report the assumption about inflation that was considered in the calculation of TP. |
| 146. | KPMG | | | TP – E3- cells IH1-IE15B | Additional information: Segmentation may be more granular and the inflation of each of the segments may differ. For instance large loss inflation may be running at a different rate as smaller claim inflation – need clear guidance as to what is required to ensure consistency between firms. | | Noted, but it’s required to report inflation data at level of a single LoB, I don’t think it’s possible to require more granular data. |
| 147. | Association of British Insurers (ABI) | | | TP – E3- cells P1-P15-J0 | The reference to undiscounted best estimates, but with a total on a discounted basis is very confusing. Will firms have to use discounted or undiscounted numbers or both? Whilst this may not be onerous in terms of running a process to produce this information, it is likely that many firms will at least have to make enhancements to their internal models to be able to show both calculations. | | See the LOG: the triangle P1-P15-J0 requires “Gross undiscounted Best Estimate Claims Provisions”, so undiscounted data should be filled in the triangle; in the column, requesting the provision as of the reporting data, discounted data should be reported. |
| 148. | Deloitte Touche Tohmatsu | | | TP – E3- cells P1-P15-J0 | Providing best estimate for case reserves can be impractical. Is it acceptable to provide instead case reserves for claim already reported? | | See the LOG: the triangle P1-P15-J0 requires the Best Estimate of Claims Provisions, estimated according to SII rules (except for the discounting effect). |
| 149. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells P1-P15-J0 | See FNMF comments on TP – E3- General | |  |
| 150. | German Insurance Association (GDV) | | | TP – E3- cells P1-P15-J0 | For each of the claims provision triangles, the “year end” formula seems to be picking up the latest development year only. If each cell is collecting absolute data then the “year end” formula should be a total of all years (all cells in the triangle).  It is our understanding that “best estimate claims provisions” triangle refers to figures including IBNR (including IBNER) and outstanding claims i.e. unpaid claims. This would require the undertaking to backfill this triangle using prior years reserve projections. The prior accident year’s projection data are unlikely to be on a consistent basis (in terms of methodology) as that required under Solvency II. We would suggest not completing this triangles including IBNR.  We would expect this information to be quite volatile, depending on the LOB and occurrence of large losses / catastrophes. We therefore question if it is reasonable to separate out large losses and additional claims.  We ask to report undiscounted BE figures. This will ensure a better comparability between years (diagonals of the triangles) and a better comparability with the others triangles, without discounting.  The definition of undiscounted best estimate claim provision is not fully clear.  Is this equal to the RBNS claims + IBNR? If not, why not use the discounted BE.  Why is there no triangle for salvage and subrogation in the undiscounted BE. Is this seen as part of the gross undiscounted BE  The reference to undiscounted best estimates, but with a total on a discounted basis is very confusing. Will firms have to use discounted or undiscounted numbers or both? Whilst this may not be onerous in terms of running a process to produce this information, it is likely that many firms will at least have to make enhancements to their internal models to be able to show both calculations.  Increase in number of accident / underwriting years and development years too onerous  and not sensible | | Not agree: it is correct to pick only the last diagonal (as is done in the template), as they represent the current provisions by accident year  This is not a reporting issue, requirement for the calculation of TP should be applied.  Not agree, this split by LoB should be sufficient  Undiscounted BE are required (Gross undiscounted Best Estimate Claims Provisions).  Gross undiscounted Best Estimate Claims Provisions must be calculated according to SII rules.  Both are required: undiscounted data in the triangle and discounted in the column. |
| 151. | Groupe Consultatif | | | TP – E3- cells P1-P15-J0 | Not clear what is required for J0. The switch from an undiscounted to a discounted view in the year-end column is surprising and purpose is not clear. Instead of best estimate claims provisions a best estimate ultimate loss might be more insightful. | | See the answer to the comment n. 116 |
| 152. | ING Group Data modelling team | | | TP – E3- cells P1-P15-J0 | In the triangle undiscounted data must be reported, while in the “Year end” column discounted data must be provided. What is the definition of undiscounted and discounted data for BE claims provisions?  Total in “Gross undiscounted Best Estimate Claims Provisions” should be “J0.1+...+P15.1” instead of “J0.1+...+Q14.1” | | This is not a reporting issue, the requirement for the calculation of TP should be applied. |
| 153. | Royal London Group | | | TP – E3- cells P1-P15-J0 | It will be very onerous to provide best estimate liabilities going back 15 years even on a best efforts basis. It would be more reasonable to include the Recoverable on the Solvency I basis for years prior to the go-live of Solvency II. | | See answer to comment n. 160 |
| 154. | RSA Insurance Group plc | | | TP – E3- cells P1-P15-J0 | There is no requirement in SII to provide Best Estimate Claims provisions on a discounted basis split by accident year. It should not be introduced via this form. Doing this for gross triangles only leads to inconsistencies within the form. We believe the total column should revert to undiscounted data. | | See answer to comment n. 160 |
| 155. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- cells P33-P47-J32 | See FNMF comments on TP – E3- General | |  |
| 156. | German Insurance Association (GDV) | | | TP – E3- cells P33-P47-J32 | Due to the fact that development of reinsurance recoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including Recoverable development only in an overall basis.  Increase in number of accident / underwriting years and development years too onerous  and not sensible | | See answer to comment n. 81 |
| 157. | Groupe Consultatif | | | TP – E3- cells P33-P47-J32 | Depending on how gross to net provisions are calculated, this information might not be available or not meaningful given the business background (e.g. change in reinsurance program). | | See other comments on reinsurance triangles. |
| 158. | ING Group Data modelling team | | | TP – E3- cells P33-P47-J32 | Total in “Undiscounted Best Estimate Claims Provisions – Reinsurance recoverable” should be “J32.1+...+P47.1” instead of “J32.1+...+Q46.1” | |  |
| 159. | Association of British Insurers (ABI) | | | TP – E3- Costs | Cost in terms of resource may be considerable in creating a 15 year set of triangles for first reporting. Existing regulatory reporting is not fully consistent with the classes used in Solvency II and will require the recreation of each year’s triangle using the new risk class analysis. In the cases of earlier years this data may already have been archived, thus creating significant rework in arriving at a 15 year triangle. | | See answer to comment n. 170. |
| 160. | CEA | | | TP – E3- Costs | The information requested for reinsurance or historical Best Estimates is not requested for non-life TP calculation. Historical data on Best Estimate could be used for USP, but not if using the standard formula parameters. This template, specifically because of information asked on reinsurance and historical Best Estimate, is very costly and would only be used for reporting purposes.  Cost in terms of resources may be considerable in creating a 15 year set of triangles for first time reporting. Existing regulatory reporting is not fully consistent with the classes used in Solvency II and will require the recreation of each year’s triangle using the new risk class analysis. In the cases of earlier years this data may already have been archived, thus creating significant rework in arriving at a 15 year triangle.  *(From CEA comment n° 172)*  *Historical data, starting from the first time application of Solvency II, are required for claims paid and RBNS claims (i.e. the complete set must be filled in). The assumption is that this data is available in existing IT systems of undertakings. This is actually not the case. The data is available but not on the level of the LOB’s. These LOB’s are newly introduced with Solvency II and currently not used by many undertakings. Either the historical data should be presented for the entity as a whole or building up the layers per LOB progressively over the next years.* | | The requirement to report BE of Claims Provision – to be provided in a best effort basis – was deleted.  Concerning historical data for claims paid, the requirement was kept since we expect undertakings will build-up a complete set of triangle for claims paid according to the new segmentation by SII LoB in order to have a dataset to project CFs and calculate TP.  We expected that historical data for RBNS are also available. |
| 161. | CFO Forum & CRO Forum | | | TP – E3- Costs | Very high, especially if we have to include much detail and data | | Noted |
| 162. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- Costs | See FNMF comments on TP – E3- General | |  |
| 163. | German Insurance Association (GDV) | | | TP – E3- Costs | The information requested for reinsurance or historical Best Estimates is not requested for non-life TP calculation. Historical data on BE could be used for USP, but not if using the standard formula parameters. This template, specifically because of information asked on reinsurance and historical BE, is very costly and only for reporting purpose.  Cost in terms of resource may be considerable in creating a 15 year set of triangles for first reporting. Existing regulatory reporting is not fully consistent with the classes used in Solvency II and will require the recreation of each year’s triangle using the new risk class analysis. In the cases of earlier years this data may already have been archived, thus creating significant rework in arriving at a 15 year triangle. | | See answer to comment n. 81 and 123. |
| 164. | Groupe Consultatif | | | TP – E3- Costs | The costs are limited as long as the claims provisions are established on the same level of detail as required by the template, which is not always the case for good reasons (e.g. no separate projection for salvage & subrogation and/or reinsurance recoveries due to low materiality, lack of credibility, beyond proportionality, limited data availability etc.). | | Noted.  General comments and concerning reinsurance data, see separate specific comment on this topic. |
| 165. | RSA Insurance Group plc | | | TP – E3- Costs | We note that the title of this form has changed, removing the reference to allocated claims management expenses. We presume allocated expenses are no longer to be included. | |  |
| 166. | UNESPA – Association of Spanish Insurers | | | TP – E3- Costs | In Recover of reinsurers, it’ll be very high, especially if there’s no simplifications of thresholds. | | Noted |
| 167. | A.M. Best Europe – Rating Services Ltd | | | TP – E3- Disclosure | Ideally this template should include information on numbers of claims (and vehicle years for motor), which is currently missing from the templates.  We suggest, however, that in addition to the information scheduled to be included in the public template, the geographical split should also be included, albeit with higher materiality thresholds, especially as similar information is available for companies in their IFRS accounts.  Making this information private would be a retrograde step for some markets (e.g. UK) where this information has been public for several years. | | Information on number of claims are requested in E4.  Do not agree, the split by material currency (following the calculation requirement) is enough.  Agree: a public version of E3 (with a simplified layout) was introduced. It’s worth noting that the disclosure of run-off triangles is a requirement of IFRS (current IFRS 4) and recommended by IAIS ICP for the public disclosure (ICP 20 Public Disclosure). |
| 168. | German Insurance Association (GDV) | | | TP – E3- Disclosure |  | |  |
| 169. | KPMG | | | TP – E3- Disclosure | Currently this information is contained in the FSA Returns (i.e. publically available). We do not understand the rationale for this information not being made public. | | See answer to comment n. 167 |
| 170. | AMICE | | | TP – E3- General | Non-Life Insurance Claims Information  LOG document defines the default length of run-off triangle to be 15+1 years for all LoBs but if undertakings’ claims development for a specific LoB is shorter they are allowed to report the latter. The default length of 15 years was decided on the basis of the mean length of triangles collected at EU level by the task-force on calibration of the SCR for NL – as part of QIS 5 exercise – using run-off triangles with 20 accident year.  In the section 3.4 “Data Availability” from the EIOPA report of the Joint Working Group (JWG- task force on calibration of the SCR – NL) “Calibration of the Premium and Reserve Risk Factors in the Standard Formula of Solvency II”. The table presented in the table below shows that the mean length of run-off triangles is significantly lower than 15 years. This table confirms that the “mean length” European average of run-off triangles is approximately 10 years.  In paragraph 117 of the report, EIOPA states that a significant proportion of the insurance undertakings responding to the data request have been unable to provide a history of reserve development net of reinsurance. (It can be observed that the sample size is much smaller for Net data than for Gross data). This explains why requesting undertakings to provide a triangle on Reinsurance Recoverables and Salvage and subrogation included within Gross Claims Paid will put an unnecessary burden on companies.  EIOPA requests information about the inflation hypothesis used in the calculation. It would be useful if EIOPA provides further guidance on how to submit the required information when different inflation assumptions (for attritional and high-severity & low frequency claims) exists. It could be also very difficult to report the requested information when inflation is not modelled explicitly and cannot be isolated from the claim amount. | | It is not requested to report mandatory the full the triangle filled in with 15y but to report according the claims development of undertakings. The LOG was amended in order to clarify better the requirement  Not clear what is the problem and further guidance needed.  The requirement to report information on inflation applies only in case of explicit treatment of inflation effects; in case inflation is not modeled explicitly, no information is required (LOG: Information required in the case of methods that explicitly model the inflation risk…) |
| 171. | Association of British Insurers (ABI) | | | TP – E3- General | This template will be extremely difficult to complete and we would like to highlight the following issues we see:  - The requirement to create triangles on a Solvency II basis for 15 years of historical data will be very onerous and we recommend transitional arrangements that would allow this data only be required for periods after Solvency II comes into effect. In many cases the data required to complete this amount of historical information will just not be available.  - Producing reinsurance recoveries by development year will be very onerous.  - The use of claims triangles is not always appropriate when looking at claims development. For short tail business triangles are too long and do not add any value in terms of analysis and in many cases would be meaningless. For many types of short tail business the development tails are in general less than one year so the final analysis would not assist in an understanding of the business or the claims development.  - Splitting out Salvage and Subrogation amounts is an unnecessary burden with no value add.  - The requirement to produce this data by LoB and Currency will add significant additional costs and we question the need for this level of detail.  There needs to be some form of exemption or proportionality applied to non-life insurers in run-off where they are subsidiaries and cannot therefore take advantage of the wider exemption from SII that applies to stand-alone companies.  For example if there is a non-life insurance subsidiary which will have been in run-off for 13 years when SII goes live and this company is the combination of five separate non-life insurers. The claims from 15 years ago will bear no relation to the current position of the insurer and will be of no benefit to the supervisor.  For companies in run off a maximum of five years of historical data should be provided.  Our main concerns with E3 remain salvage and subrogation, as we do not currently identify these separately. Separate reporting of this item could be very costly indeed since IT-systems generally are not designed to keep, separate, track of these. We propose to delete salvage and subrogation and include it under claims paid.  We are also concerned about transitional requirements, as to restate historical data in SII format will be costly and not necessarily accurate, especially if this was for the full 15 years. | | Issues already raised, see the answers to the related questions. |
| 172. | CEA | | | TP – E3- General | The CEA considers this template to be the most complicated with the highest potential for negative impact on the industry. While EIOPA has clarified that supervisors will have a national discretion in determining whether AY or UWY should be applied, we would like to enforce that it will be very costly for undertakings to change their business structures and this should not be for supervisory reporting only. It is unclear whether this discretion applies to all cases where EIOPA have considered a specific approach towards AY/UWY, we hope that it would be the case otherwise different approaches will be applied to different templates and the results will not be comparable.  We would like to emphasise the following points:   The triangle of Best Estimate would be impossible to complete for the years before Solvency II implementation. We strongly suggest a transition phase, starting upon entry into force of Solvency II. If undertakings, on a best effort basis, would like to fill in even the years before Solvency II implementation, they should be allowed to do this. However, requesting that for all undertakings would be a significant cost compared to the benefit foreseen.   Reinsurance recoveries are not usually calculated using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year.   The calculation of gross and net results should be simplified. The transfer from gross to net cash flow triangles is not necessary from a risk management perspective. We recommend just collecting data on a gross basis or using a gross/net using a proxy, as appropriate. In our view it is not possible to derive statements from net triangles without having further actuarial information, which is only available in the business units.   We propose to introduce clarification that claims triangles would not apply to health insurance business.  Claims provisioning is not an automated process:   It is highly recommended that when calculating reserves, the actuary uses different techniques and, together with expert judgement, identifies the risk drivers for all parts of the portfolio in order to choose methods or combinations for each part of the HRG.   An automated process, such as the use of claims triangles, is not always appropriate. A variety of considerations must be taken into account, particularly when dealing with cross LOB, sub-portfolio analysis, AY/UWY calculations and different deterministic /stochastic methods.   The mechanical application of a triangulation method to data may in itself lead to distorted results. When triangulation methods are used, there are a number of issues that may invalidate the underlying assumption that the future claims development is likely to be in line with the past claims development. We would like to reiterate the point on valuing the judgement of the actuary.   It should be noted that triangles would differ from one undertaking to another as they might have different actuarial methods to build them. Undertakings should be allowed to fill the triangles consistently with their own methodology for calculating technical provisions.  Reporting of historical data should not be required:   The development year currently proposed for claims triangles is too high. 15 year history will result in a lot of effort and costs. According to IFRS, claims triangles are required up to 10 years only.   The exact term of development year will be dependent on the specific LOB. 15 years for short-tail business is inappropriate. For example:  o Motor insurance could be based on a development year of 3-4 yrs;  o Property insurance could be based on a development year of 5-8 yrs.   In some cases, triangles would be meaningless for example, surety ship.   Information on currency, salvage and subrogation is not available, while the LOBs are different from current branch groups.   Historical data, starting from the first time application of Solvency II, are required for claims paid and RBNS claims (i.e. the complete set must be filled in). The assumption is that this data is available in existing IT systems of undertakings. This is actually not the case. The data is available but not on the level of the LOB’s. These LOB’s are newly introduced with Solvency II and currently not used by many undertakings. Either the historical data should be presented for the entity as a whole or building up the layers per LOB progressively over the next years.   Historical data should be collected from the date Solvency II starts.  Further clarification required:   According to the draft Level 2 text “the provision for claims outstanding shall relate to claim events that have already occurred, regardless of whether the claims arising from these events have been reported or not”. There is no requirement to separate reported claims from unreported claims in the calculation, and several commonly used estimation techniques do not make this distinction. Therefore it may be impossible for some undertakings to fill the “claims outstanding” triangle.   Further clarification should be given on whether the entries for “ecoverable from reinsurance and SPV” require a segmentation or allocation of those items. For proportional reinsurance these two would coincide. But for non-proportional reinsurance, ecoverable would be segmented into the 4 segments for non-proportional reinsurance only (in the table columns marked with (13) – (16)), whereas in allocation, the choice of segment would be based on the segmentation of the underlying direct (or accepted re)insurance obligation.   It is unclear if and how annuities should be included in this template.   We suggest dropping the salvage and subrogation triangle for paid claims. For RBNS claims, these are reserved taking salvage and subrogation into account when relevant, but no split of “gross reserve” and “salvage reserve” exists. | | Do not agree: this sentence seems in contrast with the following message reported in QIS 5 (68% of the undertakings affected by SII took part): concerning claims provisions, run-off triangles were widely used by undertakings in the determination of the BE of claims provisions.  Furthermore, it’s worth noting that information about run-off triangle are requested by IFRS and IAIS ICP.  See comment160  See same comments above (81)  The SII segmentation must be applied  Noted  Noted  Noted  See same comments above (160)  See same comments above  See the answer to the comment n. 190  See same comments above  There’s some guidance in LOG for E3.  Agree: The triangle with salvage and subrogation have been deleted. |
| 173. | CFO Forum & CRO Forum | | | TP – E3- General | We do not support the reporting of salvage and subrogation as it does not support how we run our business  One of the concerns with E3 remain salvage and subrogation, as we do not currently identify these separately. Separate reporting of this item could be very costly indeed since IT-systems generally are not designed to keep, separate, track of these. We propose to delete salvage and subrogation and include it under claims paid.  The level of detail is onerous and outweighs the benefit  We still do not believe that there is any value in a regulator imposing a set cohort for triangle production (AY or UWY) as is suggested. The value of these triangles to the regulator, as listed in the summary, is to offer information on the appropriateness of technical provisions. Unless the regulator collects the triangles in the same format as was used to calculate the technical provisions then the triangles will be useless. It is therefore imperative that the triangles collected are in the same cohort as that used for reserving or else the primary purpose of their collection is lost.  In the EIOPA document “Impact assessment on the reporting package for Solvency II”, it is asked for the form E3 and E4 “RBNS triangles in TP-E3” Both of these templates contain information on RBNS (Outstanding) claims data, which is to be collected twice. This is unnecessary. It would be better for regulators to collect this data once and transform it as necessary to create the second template. Requiring individual insurers to make this transformation will massively multiply efforts.  Reinsurance and multiple currencies further complicate the accurate completion of this template.  In the case of a reinsurance co, the LOG definitions listed will force us to include in this documentation currency and LOB triangles which can represent up to 16 lob \* 10 (160 triangles with last 15 data years) \* Currencies (mains- see General threshold comments).  We should also include information on inflation rates, in a same currency you can have several types of inflation, therefore the implementation of this application seems to be complicated. Apart from a data problem, we have no information of “Salvation and subrogation.” These data are included within the claims. Besides the retrocession used not be triangulated.  One kind of proxy would be welcome. | | The triangle with salvage and subrogation have been deleted.  No detailed explanation.  No detailed explanation.  A materiality threshold applies |
| 174. | Czech Insurers Association | | | TP – E3- General | It is not clearly described how to deal with limited access to historical data. | | See answer to comment n. 160 |
| 175. | Danish Insurance Association | | | TP – E3- General | The need to receive reporting of all proposed run-off triangles in template TP-E3, seems recoverable. We don’t believe the information from all these run-off triangles is relevant in a risk context. To be specific we don’t see why RBNS triangles and triangles for salvage and subrogation are relevant, by and large the information is not available in the system. From a materiality clause perspective, there seems to be no correlation between the value you get in these specific triangles held up against the burden on insurers.  Dividing run-off triangles into in- and outflows does not relate well to how Danish undertakings perform run-offs. Usually Danish undertakings use net cash flows, i.e. implicitly including salvage and subrogation and other ingoing cash flows. This makes it very burdensome to provide separate triangles for salvage and subrogation etc.  Triangles for salvage and subrogation are especially hard to provide. Salvage and subrogation is not explicitly analysed by Danish actuaries, but is viewed as part of the total sum of a claim. Actuaries have not deemed that a deeper analysis of salvage and subrogation will improve claims provisioning.  The data quality of salvage and subrogation varies greatly from undertaking to undertaking. Some undertakings register every claim movement including ingoing payments such as deductibles and salvage, albeit with varying quality. Other companies have few requisites for identifying salvage and subrogation.  All in all we don’t see the benefit for supervisors of providing separate triangles on salvage and subrogation. Seen from an actuarial point of view there is little to be gained in terms of improved claims provisions, and many undertakings will have a major challenge in identifying salvage and subrogation in the future and even more so when it comes to historical data. Hence the template will require considerable system developments in undertakings with little gain in terms of risk management.  We suggest that the triangles for salvage and subrogation are removed from the templates. Alternatively the principle of proportionality should be used to deem that these triangles are not necessary for undertakings that are not complex.  If EIOPA insists on including separate salvage and subrogation triangles, a materiality threshold should be included to insure that the triangles are not included where salvage and subrogation is immaterial.The need for historical data creates more hurdles for Danish companies. Since historical data will not be readily available with the required split companies will have to use many resources on estimating simplified historical data. The data will to an extent be irrelevant to supervisors, who should be focused on the current and prospective risk. | | Run-off triangles are requested by both IFRS and IAIS principles and also needed for the calculation of TP.  The triangle with salvage and subrogation have been deleted. |
| 176. | Federation of Finnish Financial Services | | | TP – E3- General | It is unclear if and how annuities should be included in this template. We suggest dropping the salvage and subrogation triangle for paid claims. We suggest to aggregate them with paid claims. There is no additional value from separation (materiality!). For RBNS claims, these are reserved taking salvage etc into account when relevant, but no split of « gross reserve » and « salvage reserve » exists and would have to be done using keys. We do not see any advantages in doing so.  As the purpose should not be for auditing, the template could be for a standard 10 years, and left empty for those years there is not data available, for short tailed lines.  The claim adjustment expenses we do not currently report with the claims payments, and we do not have this information per accident year (or uw year for that matter), i.e. a process and system change would be needed. We could not get the historical data in any way, when doing reporting the first time  We have the “net” triangles of the claim payments, not the split into the 3 first triangles. What would be the specific supervisory purpose of the split?  We use endogenous inflations mainly, which may specific per HRGs. Then you would also need the triangles per HRGs, which we certainly do not recommend. A simple yes/no answer could be sufficient at the top of the page.  The methods used, and tail factor, is also per HRG, or even several methods within one HRG, so it must be thought about the optimal way to gather this information, if at all. We believe it is perhaps too detailed.  Reporting RBNS claims should not be required as RBNS and IBNR are calculated as whole. (See CEA note for more details)  Should be included the cell to show whether AY or UWY is used. | | See the LOG of E3 for more guidance about annuities and the link with template F4.  See the answer to question n. 170  See the answer to question n. 123  Agree: changed the templates (E3/E4) and the LOGs |
| 177. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- General | Please refer to general comment for short description of French “medical expenses” lob specifications.  Main points are that :  - due to the law, obligations of health mutuals end 2 years after the claims has ecovera ;  - due to the specifications of the “medical expenses” risk in France, data are processed on a monthly basis.  Please find below an example of claims development. We will be pleased to send you whole triangles if you contact us : [fnmf.solvabilite2@mutualite.fr](mailto:fnmf.solvabilite2@mutualite.fr)  Developpment Month  % of claims paid  Cumul  1  41%  41%  2  32%  73%  3  14%  86%  4  7%  93%  5  3%  96%  6  1,5%  97%  7  0,8%  98%  8  0,5%  99%  9  0,34%  99%  10  0,25%  99%  11  0,18%  99%  12  0,14%  99%  13  0,12%  100%  14  0,10%  100%  15  0,08%  100%  16  0,06%  100%  17  0,05%  100%  18  0,03%  100%  19  0,04%  100%  20  0,02%  100%  21  0,02%  100%  22  0,02%  100%  23  0,01%  100%  24  0,00%  100%  Furthermore, health mutual societies manage a high number of claims per insured person (roughly an average of 50 claims per year and per insured person) : health data warehouses consume a computer storage capacity of 0.5 teraoctet per year and per million insured person. The costs are far superior to the benefits of storing 15 years of data. Eiopa should also keep in mind that changes are brought each year to the health system and thus modify on a significant way the data structure, in such a way that after 5 years data are usually quite useless.  Given the previous elements, FNMF is requesting that for “medical expenses” lob :  - claims development are reported on a monthly basis ;  - length of data is limited to 24 months. | |  |
| 179. | German Insurance Association (GDV) | | | TP – E3- General | We understand the importance of development triangles as essential regarding evaluation of provisioning. Hwever, the GDV considers this template to be the most complicated with the highest potential for negative impact on the industry.  While EIOPA has clarified that supervisors will have a national discretion in dertiming whether AY or UWY should be applied, we would like to enforce that it will be very costly for undertakings to change their business structures and this should not be for supervisory reporting only. It is unclear whether this discretion applies to all cases where EIOPA have considered a specific approach towards AY/UWY, we hope that it would be the case otherwise different approaches will be applied to different templates and the results will not be comparable.  We still do not believe that there is any value in a regulator imposing a set cohort for triangle production (AY or UWY) as is suggested. The value of these triangles to the regulator, as listed in the summary, is to offer information on the appropriateness of technical provisions. Unless the regulator collects the triangles in the same format as was used to calculate the technical provisions then the triangles will be useless. It is therefore imperative that the triangles collected are in the same cohort as that used for reserving or else the primary purpose of their collection is lost.  In the EIOPA document “Impact assessment on the reporting package for Solvency II”, it is asked for the form E3 and E4 “RBNS triangles in TP-E3” Both of these templates contain information on RBNS (Outstanding) claims data, which is to be collected twice. This is unnecessary. It would be better for regulators to collect this data once and transform it as necessary to create the second template. Requiring individual insurers to make this transformation will massively multiply efforts.  In any case, 15 years is FAR too long for non-life provisions. The requirement to look at historical data backdated 15 years is highly excessive for many LoB, such as other motor insurance (3-4 years) , assistance (2-3 years); property insurance (5-8 years). The required length should be held flexible at an LoB level with an maxium length of 10 years.  As the purpose should not be for auditing, the template could be for a standard 10 years, and left empty for those years there is not data available, for short tailed lines.  The claim adjustment expenses we do not currently report with the claims payments, and we do not have this information per accident year (or uw year for that matter), i.e. a process and system change would be needed. We could not get the historical data in any way.  We have the “net” triangles of the claim payments, not the split into the 3 first triangles. What would be the specific supervisory purpose of the split?  We use endogenous inflations mainly, which may specific per HRGs. Then you would also need the triangles per HRGs, which we certainly do not recommend. A simple yes/no answer could be sufficient at the top of the page.  The methods used, and tail factor, is also per HRG, or even several methods within one HRG, so it must be thought about the optimal way to gather this information, if at all. We believe it is perhaps too detailed, and more suitable only for audit purposes.  We would like to emphasise the following points:   The triangle of Best Estimate would be impossible to complete for the years before Solvency II implementation. We strongly suggest a transition phase, and report only years after 2012. If undertakings, on a best effort basis, would like to fill in even the years before S2 implementation, they should be allowed to do this. However, requesting that for all undertakings would be a significant cost compared to the benefit foreseen.   Reinsurance recoveries are usually not done using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year.   The calculation of gross and net results should be simplified. A gross/net proxy could be used as appropriate. The transfer from gross to net cash flow triangles is not necessary from a risk management perspective.  Claims provisioning is not an automated process   It is highly recommended that when calculating reserves, the actuary uses different techniques and, together with expert judgement, identifies the risk drivers for all parts of the portfolio in order to choose methods or combinations for each part of the HRG.   An automated process, such as the use of claims triangles, is not always appropriate. A variety of considerations must be taken into account, particularly when dealing with cross LOB, sub-portfolio analysis, AY/UWY calculations and different deterministic /stochastic methods.   For long-tail business, triangles are too short. For short-tail business, triangles are too long. The length of the triangle should be decided by the undertaking, consistently with their technical provision assessment and their exchanges with the supervisor. In some cases, triangles would be meaningless for example, surety ship.   The mechanical application of a triangulation method to data may in itself lead to distorted results. When triangulation methods are used, there are a number of issues that may invalidate the underlying assumption that the future claims development is likely to be in line with the past claims development. We would like to reiterate the point on valuing the judgement of the actuary. It should be noted that triangles would differ from one undertaking to another as they might have different actuarial methods to build them. This template therefore is not relevant for statistical information. Undertakings should be allowed to fill the triangles consistently with their methodology for calculating technical provision, and a constructive dialogue is needed between the supervisor and the undertaking to analyse those triangles.  Currency   The level of detail regarding currencies seems unnecessary detailed. To project sound ultimates, it is sufficient to use currency adjested development triangles, i.e. all postings within one foreign currency are translated with the same exchange rate to the reporting currency.   For discounting purposes, the currency in which the liability has to be paid out, has to be recognized. The currency information to determine the payment pattern is irrelevant, as in homogeneous segments, the expected future payments per AY/ UY for future calendar years (as percentage of the outstanding provisions) is independent from the original currency of the outstanding provision. Additionally, the higher the volume within a (homogenious) segment, the more stable the projection result is.   If currency adjusted development triangles per segment are reported to the supervisor, the whole business could be covered in respect of the sufficiency of the reserves, whereas the restriction to selected currencies results in missing bits of the whole portfolio. Some (re)insurance undertakings already publish currency adjusted development triangles, which are used e.g. by rating agencies to assess the sufficiency of the provisions.   Therefore we suggest to only provide (currency adjusted) development triangles for the respective segments.  Reporting of historical data should not be required   Reporting of this information would require a historical backwards calculation.   At the moment many insurers are not able to provide best estimates for the last 10 years in the required granularity of claims triangles (LOB, currency). For example, the majority of insurers have no historical data on salvages and subrogations triangles. Data are not available. It would be very burdensome and almost impossible to collect historic data for the existing portfolio. Contracts have to be scanned on an individual basis. Therefore, we request not to require historic claims data.   We would support a transition phase, with reporting only from 2015 onwards. If undertakings, on a best effort basis, would like to fill in even the years before S2 implementation, they should be allowed to do this. However, requesting that for all undertakings would be a significant cost compared to the benefit foreseen.   Undertakings who took part in the QIS exercises may be in a position to provide some data however those who did not will experience problems generating this information for first time reporting.  We recommend just collecting data on a gross basis.   In our view it is not possible to derive statements from net triangles without having further actuarial information, which is only available in the business units. In case of growing LOBs it is usual to change the reinsurance program. While interpreting the net triangles without a detailed understanding of the Bus background we see the risk of misinterpretation of the situation.   If this requirement remains we suggest that the calculation of gross and net results should be simplified. In our opinion a gross/net-proxy could be appropriate.  It is unclear if and how annuities should be included in this template. We suggest dropping the salvage and subrogation triangle for paid claims. For RBNS claims, these are reserved taking salvage etc into account when relevant, but no split of « gross reserve » and « salvage reserve » exists and would have to be done using keys. We do not see any advantages in doing so. | | See the answer to the comment n. 170  The possibility for a NSA to introduce a requirement about AY or UWY should be deal with at national level  Noted.  See answer to the comment n. 170  See answer to comment n. 81 and 123.  Issue under discussion and revision (see answer to comment n. 160).  See answer to comment n. 81 and 123.  Noted  See answer to the comment n. 170  Noted  See answer to the comment n. 82 and 87.  Requirement under revision, see answer to the comment n. 160  Issue under discussion, see answers to the comment n. 81 and 123. |
| 180. | Groupe Consultatif | | | TP – E3- General | It is not clear how this template will help to serve its stated purpose. The historical loss development triangles are key inputs for actuarial reserving methods but do not provide meaningful information just by themselves. The construction of the template suggests that by collecting the historical data plus a statement of the methodology used (A01) and a tail factor (A02) that estimates could be reproduced. This is typically not possible as the process of establishing the expected value of unpaid claims is more complex, sometimes iterative and necessarily requires also qualitative understanding of the underlying business as well as actuarial judgment to be applied. This is also why reserving is a core element for the actuarial function. It would not be appropriate for the regulators to rebuild this process based on this data or to replace it by something of rather mechanical nature.  The history of undiscounted best estimate provisions seems more appropriate and sufficient to track developments.  It is required to report on either accident or underwriting year basis but it does not seem to be possible to state what is applicable in a given report for a specific line of business. | | The intention is to use these data per supervisory purposes (but not in mechanical way); furthermore, it’s worth noting that disclosure of run-off triangles are requested by IFRS (in the public disclosure – see also AM Best comment n. 167) and recommended by IAIS ICP (ICP 20 Public Disclosure). |
| 181. | ING Group Data modelling team | | | TP – E3- General | We strongly disagree with the increase of requirements on triangle data from 10 to 15 years.  1. in a number of EC countries legal requirements on storing historical data are limited to 7 years, therefore it can not be expected that data with this granularity is stored for 15 years.  2. A system life cycle is approximately 7-10 years, therefore it can not be expected that data with this granularity is stored for 15 years.  Please reconsider.  Where should the not-direct annuities stemming from non-life be reported, in TPE3 or TPF4? (Now, TPF4 explicitly excludes non-direct and TPE3 excludes annuities stemming from non-life) | | See answer to comment 170 |
| 182. | Lloyd’s | | | TP – E3- General | This form requires information to be reported by accident year/underwriting year and EIOPA is yet to decide on which basis to adopt. However they have indicated that this might be left to the discretion of the national supervisors. We would propose that each undertaking should be permitted to decide what basis to carry out its reporting as long as this is done on a consistent basis.  We note that the number of years required to be reported has been increased from 10 to 15. We consider this requirement to be excessive and onerous. We appreciate that this information may be in undertakings’ accounting records but the existing claims triangles will not be in the currencies and lines of business being required on this template. Hence this will involve significant amount of work to get the information in the required format.  We propose that for gross claims paid and gross reported but not settled claims (RBNS), the triangles should be set at 10 years. In the case of best estimate claims provisions, the triangle should only be required from the first year of Solvency II implementation i.e. 2014  Salvage and subrogation  Most of the systems do not capture this information and this is generally reported as part of claims paid. We propose that this triangle is removed and amounts relating to salvage and subrogation to be included in the claims paid triangle. | | The possible requirement about AY/UWY should be dealt with at national level.  See answer to comment n. 170  See answer to comment n. 160  See answer to comment n. 765 |
| 183. | Paul Figg (individual, actuary) | | | TP – E3- General | This data is essential for Supervisors to assess the adequacy of reserves. Supervisors need this historical data because of the distortions to data caused by companies recently merged or having sold off bits of business.  Standard Actuarial projection techniques (such as B-F projections) normally refer to exposure also. Believe that ecoverabl column should be insterted for historical Gross and Net (of reinsurance) Premium.  Projection techniques may also take account of claim frequency and severity. Believe that additional triangles for number of closed and open claims (gross of reinsurance) should be included. Otherwise the Supervisor may be unable to detect poor case reserving or the beginning of an increase in claims severity or frequency trend (for example).  Many Euorpean Liability classes now involve structured settlements (ie annutiues) for very serious bodily injury claims. These cause a problem because of the big difference between Nominal and Discounted values over the long term they are payable. This issue also relates to the contents of TP-F4. Believe that it should be clear whether these annuity payments are included ecove TP-E3 and on what basis, as they have the potential to distort results. | | Noted  Data on Premiums are requested in template A1 |
| 185. | Royal London Group | | | TP – E3- General | There needs to be some form of exemption or proportionality applied to non-life insurers in run-off where they are subsidiaries and cannot therefore take advantage of the wider exemption from SII that applies to stand-alone companies.  For example we have a non-life insurance subsidiary which will have been in run-off for 13 years when SII goes live. This company is the combination of five ecovera non-life insurers. The claims from 15 years ago will bear no relation to the current position of the insurer and will be of no benefit to the supervisor.  For companies in run off a maximum of five years of historical data should be provided. | | Don’t agree. |
| 186. | RSA Insurance Group plc | | | TP – E3- General | We agree that historic data should be limited to paid claims and RBNS claims, but note that the proposals have changed from January 2011: previously, other data could be compiled on a prospective basis; now a “best efforts” basis is proposed. This term could mean any number of things, including outright guesses. We believe the proposals revert to their previous, more sensible form: “best efforts” will lead to inconsistencies between undertakings.  15 years is out of line with existing and proposed IFRS reporting disclosures, meaning this is extra disclosure that is only requested because of a desire to propose a balance with existing Solvency I reporting. We believe the IFRS “norm” should be adopted.  We note in any case that that the 15-year history may be reduced depending on the claims development of a particular LoB. Again, clarity is needed on how judgement is to be applied here: we recommend the use of a materiality threshold (e.g. 90% ratio of claims paid to claims incurred).  Triangulation is not likely to be appropriate for some classes as a method of assessing provisioning.  Regarding the additional information on inflation rates, where methods take inflation into account to adjust data (where such methods are being used) they are likely to be applied at homogeneous risk group level and so summary at the level of LoB is not appropriate.  If the national supervisor is to decide on any nationwide convention on the year (accident or underwriting), undertakings need guidance as soon as possible on what that is to be, in order to plan. We believe that undertakings should be able to choose the basis they prefer.  Clearer, more widely recognised terminology ought to be used, and the use of terms such as “RBNS” instead of “case reserves” ought to cease. Until EIOPA’s clarification of the definition of this term in November 2011, “RBNS” could have been interpreted to mean more than one thing, including reserves including IBN(E)R. | | See answer to comment n. 160. |
| 188. | The International Group of P&I Clubs | | | TP – E3- General | Form E3 requires development triangles for each line of business. For the purposes of solvency 2, all the P&I Clubs’ business comes under the MAT LOB, although there are two classes within this for most Clubs – Protection and indemnity (P&I) and Freight, Demurrage and Defence (FD&D), which the Clubs triangulate separately ; in addition, the Clubs treat their own P&I claims (‘retention claims’) and other Club’s Pool claims separately in their triangulations. It is not clear whether a P&I Club would be required to aggregate their three groups of risk (these might be classified as homogenous risk groups) together when filling in E1or whether they would be able to retain the existing segregation.  Many other insurers will carry out triangulations to a greater level of granularity than the Solvency 2 line of business and therefore this query will be of general application | | It’s required to report E3 according to the SII segmentation. Provision will be made by undertakings following the same (SII) segmentation or according to the (entity specific) HRG. |
| 189. | Thomas Miller & Co Ltd | | | TP – E3- General | Requiring this QRT on a per line of business per currency split, seems overly burdensome on the insurer as it could result in a large number of reports that have to be generated. | | See answer to comment 192 |
| 190. | UNESPA – Association of Spanish Insurers | | | TP – E3- General | Pure reinsurers stress too the point that, because inflation can be different within the same currency, information about inflation has to be taken in account, which creates new complications. | | Noted |
| 191. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- Groups | See FNMF comments on TP – E3- General | |  |
| 192. | CEA | | | TP – E3- Materiality | LOB and currency combinations remain to be a major problem for industry. It was also suggested that a percentage of the total balance sheet could be used as an indicative materiality threshold.  For general comments on LOB/currency combinations, please refer to template TP – E3 – cell 04.  A threshold for certain currencies will not be needed as information has to be kept in each currency, because it is not yet clear which currencies have to be reported in a few years. | | The split out by LoB and currency is based on the SII requirement according which TP must be calculated separately for obligation of different currencies. Furthermore, a materiality threshold was introduced (see summary document[[1]](#footnote-1)) |
| 193. | German Insurance Association (GDV) | | | TP – E3- Materiality | LOB and currency combinations remain to be a major problem for industry. It was also suggested that a percentage of the total balance sheet could be used as an indicative materiality threshold.  For general comments on LOB/currency combinations, please refer to template TP – E3 – cell 04. | | See answer to comment 192 |
| 194. | RSA Insurance Group plc | | | TP – E3- Materiality | We agree with the de minimis rules for currency, except that 3% is too low – this would mean that (potentially) a currency comprising only 0.75% (25% of 3%) of the total LoB would need to be reported. We believe a threshold of 10% ought to be set instead of 3%.  We also note that materiality is calculated by reference to BE; whereas E4 is calculated by reference to RBNS. It is therefore likely that the forms are not going to be consistent with each other. This needs to be considered carefully. | | Don’t agree |
| 195. | CEA | | | TP – E3- Purpose | Gross best estimate triangles include salvage and subrogation therefore it should not be required to produce separate templates on each. | | See other comments on this topic |
| 196. | FNMF – Fédération Nationale de la Mutualité | | | TP – E3- Purpose | See FNMF comments on TP – E3- General | |  |
| 197. | German Insurance Association (GDV) | | | TP – E3- Purpose | Gross best estimate triangles include salvage and subrogation therefore it should not be required to produce separate templates on each. | |  |
| 198. | Groupe Consultatif | | | TP – E3- Purpose | The salvage&subrogation split is to our understanding unnecessary but extremely tedious – we suggest not requiring this split. | | See other comments on this topic |
| 199. | Thomas Miller & Co Ltd | | | TP – E3- Purpose | Just to be clear, as it currently stands, is it the insurer’s choice on whether to use accident or underwriting year for grouping claims ? | | See the LOG for more clarification |
| 200. | Federation of Finnish Financial Services | | | TP – E4- Benefits | The allocation of open and reopen claims is not enhancing the reserving process since the number of reopen claims is very low and therefore the information is not used in the reserving. | | Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 201. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- Benefits | See FNMF comments on TP – E3- General | |  |
| 202. | Groupe Consultatif | | | TP – E4- Benefits | From the template it might be possible to draw to some of the stated ratios and averages, but they would be isolated bits and pieces of information and not related to the technical provisions in an obvious way. Some of the desired information might be better placed in an actuarial report discussing how observations on e.g. claim settlement have been considered in estimating claims provisions. Also other descriptive statistical information as claims completion triangles might be more insightful for the purpose (but also better left to an actuarial review and report instead to a quantitative reporting template).  The variation analysis required in template VA – C2C seems to be a better concept and might make TP – E4 dispensable. | | Data in harmonised layout needed, narrative description is not enough. |
| 203. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells A1-A10 | See FNMF comments on TP – E3- General | |  |
| 204. | German Insurance Association (GDV) | | | TP – E4- cells A1-A10 | The actuarial systems of some undertakings do not have the number of claims in their main tables. This will cause problems in collecting this data. | | It is important for an undertaking to know the number of claims in order to control its risk |
| 205. | KPMG | | | TP – E4- cells A1-A10 | Number of claims may not be available – particularly in the London Market where only Bordereaux information may be available to the insurer. | | It is important for an undertaking to know the number of claims in order to control its risk |
| 206. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells B1-B10 | See FNMF comments on TP – E3- General | |  |
| 207. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells C1-C10 | See FNMF comments on TP – E3- General | |  |
| 208. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells D1-D10 | See FNMF comments on TP – E3- General | |  |
| 209. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells E1-E10 | See FNMF comments on TP – E3- General | |  |
| 210. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells F1-F10 | See FNMF comments on TP – E3- General | |  |
| 211. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells G1-G10 | See FNMF comments on TP – E3- General | |  |
| 212. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells H1-H10 | See FNMF comments on TP – E3- General | |  |
| 213. | German Insurance Association (GDV) | | | TP – E4- cells H1-H10 | We question the proposal to report specific information on claims settled without payment. We understand that the intention is to ensure undertakings do not “adjust” their results. We emphasise that for this purpose the request of report re-opened claims is enough. The information on claims settled without payment would be an onerous development for undertakings. We suggest merging the information requested disregarding the fact that the claim was settled without payment. The decision tree in the LOG does not show any added value for requesting this information. | | Claims closed without payments are necessary to check the undertaking policy on open , reopen and closing claims, and changes on this policy |
| 214. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells I1-I10 | See FNMF comments on TP – E3- General | |  |
| 215. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells J1-J10 | See FNMF comments on TP – E3- General | |  |
| 216. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells K1-K10 | See FNMF comments on TP – E3- General | |  |
| 217. | German Insurance Association (GDV) | | | TP – E4- cells K1-K10 | We assume that this cell also incorporates cell K11 and our response should be treated as such.  The data “gross payments where the claim remains open at the end of the year”, cannot be entered into these cells. Consequently, part-payments on current year claims are not reported anywhere in this template. Inclusion of this amount would allow this template to reconcile with the gross claims paid triangle in template TP – E3.  Clarification is required on whether this comment refers to both triangles “gross claims paid for development year” (cells A1/A10/J0) and “gross claims outstanding for development year” (cells U1/U10/AF0)? | | Please see 775 |
| 218. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells L1-L10 | See FNMF comments on TP – E3- General | |  |
| 219. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells M1-M11 | See FNMF comments on TP – E3- General | |  |
| 220. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells N1-N11 | See FNMF comments on TP – E3- General | |  |
| 221. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells O1-O11 | See FNMF comments on TP – E3- General | |  |
| 222. | Association of British Insurers (ABI) | | | TP – E4- cells P1-P10 | Reopened claims is an example of an area where data is not complete, due to the receipt of bordereaux summaries. | | Direct insurers will have to report about reopened claims in their bordereaux summaries to allow reinsurers to know this information |
| 223. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells P1-P10 | See FNMF comments on TP – E3- General | |  |
| 224. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells Q1-Q10 | See FNMF comments on TP – E3- General | |  |
| 225. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells R1-R10 | See FNMF comments on TP – E3- General | |  |
| 226. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells S1-S10 | See FNMF comments on TP – E3- General | |  |
| 227. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- cells T1-T10 | See FNMF comments on TP – E3- General | |  |
| 228. | Association of British Insurers (ABI) | | | TP – E4- Costs | The template is based on the tracking of individual claims. Such reporting would require that the claims provision is known for each claim. Completing the template would require either the use of case-by-case reserving or an allocation of the claims provisions to the different columns of the table. The results of allocation may not always be reliable and comparable.  The IT systems development, in order to complete this template, will be problematic to implement and certainly very costly. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes. |
| 229. | CEA | | | TP – E4- Costs | The template is based on the follow-up of individual claims. Such reporting would require that the claims provision is known for each claim. Completing the template would require either the use of case-by-case reserving or an allocation of the claims provisions to the different columns of the template.  Several commonly used estimation techniques are based on aggregated data on homogeneous risk groups. There is no allocation of the resulting claims provision to the individual claims events. If such an allocation is made, the result of it would be questionable. Case-by-case is, on other hand, an approximation that can be used under certain conditions only. Therefore it may be impossible for several undertakings /LOBs to complete this template. The ex-post allocation of claims provisions at the beginning of the year to different columns based on the status of the claim at the end of the year (settled/not settled) is arbitrary, we believe the costs of reporting would heavily outweigh the possible benefits.  The IT migration systems, in order to complete this template, will be problematic to implement and potentially very costly. We anticipate a problem with the reopened claims data due to the fact that many IT-solutions don’t keep track of reopening of claims (only first opening and latest closing date are available). It is only in very rare situations that undertakings would look at reopened claims for the purposes of calculating technical provisions. Thus, the expected costs are likely to be much more significant than EIOPA believes. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  Concerning impact assessment reasons, this templates was proposed on tha base of concrete experience of this reporting in some member states  Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for it, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 230. | Federation of Finnish Financial Services | | | TP – E4- Costs | Systematic follow-up of reopened claims will then be costly compared to benefits obtaint. | | Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 231. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- Costs | See FNMF comments on TP – E3- General | |  |
| 233. | German Insurance Association (GDV) | | | TP – E4- Costs | The template is based on the follow-up of individual claims. Such reporting would require that the claims provision is known for each claim. Completing the template would require either the use of case-by-case reserving or an allocation of the claims provisions to the different columns of the template. Several commonly used estimation techniques are based on aggregated data on homogeneous risk groups. There is no allocation of the resulting claims provision to the individual claims events. If such an allocation is made, the result of it would be questionable. Case-by-case is, on other hand, an approximation that can be used under certain conditions only. Therefore it may be impossible for several undertakings /LOBs to complete this template. The ex-post allocation of claims provisions at the beginning of the year to different columns based on the status of the claim at the end of the year (settled/not settled) is arbitrary, we believe the costs of reporting would heavily outweigh the possible benefits.  EIOPA do not believe that this form should have a large cost for undertakings as the “requested data are usually used for the calculation of TP”. This may or may not be true but the transformation of the data into the required format would be hugely expensive. Some companies do not systematically look at their data in this format for the calculation of TP. Particular difficulties include:  - Defining a “Number of Claims” in the purpose of partially settled claims or claims that cover more than one line of business.  - The calculation of how claims become settled.  - To calculate the data for form E4 would require going back to individual claims records. This would be vastly expensive.  The IT migration systems, in order to complete this template, will be problematic to implement and potentially very costly. We anticipate a problem with the reopened claims data due to the fact that many IT-solutions don’t keep track of reopening of claims (only first opening and latest closing date are available). It is only in very rare situations that undertakings would look at reopened claims for the purposes of calculating technical provisions. Thus, the expected costs are likely to be much more significant than EIOPA believes. | | Same comment as 229  On the log it is specified about the number of claims to be reported that undertakings will use their specific definition or, if available, specification existing at national level ( for instance requirement laid down by the National Supervisory Authority) |
| 234. | Groupe Consultatif | | | TP – E4- Costs | The costs would be in most cases extraordinary large. First, the data might be not at hand as it is not necessary in the calculation – neither for the claims reserving itself, nor for the risk capital calculation. Generally the QRT should only collect information which is already used for the calculation.  Also the template mixes information from different sources like general ledger and claims handling, which is technically difficicult and costly to establish. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes. |
| 235. | RSA Insurance Group plc | | | TP – E4- Costs | We disagree with the conclusion in the Impact Assessment (4.77) that the costs of reporting E3 and E4 are “medium”. They are “High” for a number of reasons:  1. Data need to be allocated by SII LoB which incurs costs and is not the way we manage our business. We currently use more granular Homogenous Risk Groups. We would suggest that data at SII LoB level are likely to be a mixture of non-homogenous risk groups and hence not appropriate for the use to which the data are intended to be put.  2. In our recent dry-run exercise, we discovered that the data required for TP-E4 are simply not collected in the manner required to complete the form, which would necessitate new systems.  It is only in very rare situations that we look at reopened claims for the purposes of calculating technical provisions – none of our operations were able to source these data during our recent dry-run exercise. Further, these are data required only for the purposes of this disclosure and not for any risk management or management supervisory purposes. Thus, the expected costs are likely to be much more significant than purported. | | Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 236. | UNESPA – Association of Spanish Insurers | | | TP – E4- Costs | Reinsurers expect them to be high. | | E4 requires to report basic information that reinsurance undertaking should hold, that are useful for both provisioning and risk management purposes. |
| 237. | CEA | | | TP – E4- Disclosure |  | |  |
| 238. | German Insurance Association (GDV) | | | TP – E4- Disclosure |  | |  |
| 239. | AMICE | | | TP – E4- General | Movements of RBNS Claims  The aim of this template is to provide an overview about the run-off/movement of non-life claims portfolios, in terms of both claims paid (split by different type of claims) and RBNS claims (as defined in E3). The proposed reporting template will put a rather heavy burden on the undertakings. In our view this template should only be filled in for material Line of Business (LoB) and material currency. Template could also be simplified.  EIOPA requires to report LoBs 1-12 (as reported in TP E1) for both direct and accepted proportional reinsurance; As the information requested in this template is not feasible for accepted reinsurance business, we would suggest to report only, LoBs for direct business. | | Don’t agree about the reporting by material Lob only  Agreed with the exemption of reporting of accepted business, then only direct business must be reported. It was also decided to not request split by currency. |
| 240. | Association of British Insurers (ABI) | | | TP – E4- General | This template will be very difficult, if not impossible in many cases, to produce. The direct correlation between number of claims and reserves is not always available as is not the way in which reserves are necessarily calculated or maintained on systems.  In addition the requirement to split claims numbers (and the related reserve figures) into open and closed claims and the movement in open claims at the beginning of the period through the year will require significant systems development without a justifiable benefit. The template assumes that there is a connection within the reserving system between each individual claim and the corresponding reserve amount booked and this is not the reality.  In addition to complete this template for assumed reinsurance business is not feasible due to constraints with data which would mean the following are not easily available; number of claims, number of claims still open and closed and corresponding RBNS, claims closed without settlement etc.  Also, clarity is needed on how claims numbers would be defined. There is no standard in the industry on claims numbers and clear guidelines would be needed in order to avoid inconsistencies of interpretation. For example, how many claims relate to one particular event?  Currently data received does not allow total completion of this QRT, due mainly to lack of detail provided on bordereau from partners etc. We would however be able to estimate where data is not available, if this were acceptable? (Gaps in data are not considered material in terms of total reserves).  There appears to be no consideration of the potential effects of FX on this form. FX will affect the forms in so far as some forms are reported in Reporting currency rather than original currency. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  Direct insurers will have to report information about their ceded claims to the reinsurer undertaking in order to allow the reinsurance undertaking to control its risk.  On the log it is specified about the number of claims to be reported that undertakings will use their specific definition or, if available, specification existing at national level ( for instance  The frequency of this template is annual |
| 241. | CEA | | | TP – E4- General | For general comments on LOB/currency combinations, please refer to cell TP – E3 – cells 00 and 04.  This template is based on the assumption that one can distinguish open from closed claims, thus the usability of this report is highly dependent on the reserving process and systems in place; if a case reserve, with a standard reserve is used, then the number of claims and closed/open status are relevant. But if such a process is not used and/or not supported by the systems, the number of claims data will not be of good quality/available.  In addition to this, there are LOBs, e.g. workers compensation or other personal lines (e.g. MTPL or general liability), where it is impossible to close a claim. It should not be required to split open, closed and reopened claims. The template implies a connection between each individual claim in the base system and the corresponding amount booked in the general ledger, for example cells P1-P11. This would be a reporting requirement for the first time.  For reinsurance, the split of claims between those opened, settled and closed does not give any risk sensitive information but will require heavy IT-investments. This is valid for gross data and especially for net-data. Quite often it won’t be possible to standardise the related processes especially in the case of Nat Cat.  To complete this template is not feasible for assumed reinsurance business, there are a number of constraints which means the information is not available for reinsurance undertakings:   Number of claims.   Number of claims which are still open and the corresponding RBNS/IBNR.   The number of claims ended without any payment.   The IBNR of a reinsurance undertaking usually does not refer to a specific claim.  Guidance is required on open claims, the number of events, and definition of a claim. There is no industry standard on claim numbers for example, one accident might be regarded as one claim, two claims (fire with damage to building and personal property) or many claims (several injured persons in an accident). This ambiguity would make reporting less meaningful.  We query whether IBNR are calculated on a gross or net basis and also whether a clearer definition of RBNS will be made available. It is unclear to us whether the templates are applicable to the reinsurance business and whether they are applicable to undertakings dealing with both SLT and NSLT.  Further clarification would be helpful on EIOPA’s motivation to require specific information on claims settled without payment. This information might be required to check that undertakings do not “adjust” their results however we believe that reporting re-opened claims should be sufficient. The information on claims settled without payment would be an onerous development for undertakings.  Undertakings should be free to choose whether they report by AY or UWY. For most direct insurers this will be AY but there may be instances where UWY is more appropriate. This essentially is a business decision and reporting requirements should not impact on an undertaking’s ability to choose the best way of monitoring their business. Considerable effort would be required for each claim to be tracked to each policy risk period and then create an algorithm to re-allocate to the alternative period.  In some jurisdictions, the analysis for numbers of claims are carried out across accident years of numbers of claims closed and numbers of claims outstanding for each reporting category. To determine separately the numbers of new notifications, numbers of “old” and “new” claims closed in the year and numbers of re-opened and closed claims in the year will be extremely onerous.  For some undertakings, it will be difficult to obtain the net data, as well as the data pertaining to reopened claims in the year (gross). In such cases, undertakings are not able to show this information (RBNS claims with detail of claims opened at the beginning of the year, claims incurred during the year, claims reopened during the year) as it is not officially required in the Balance Sheet. In particular, it may be difficult to report the number of claims. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision.  Use the definition of claims used at national level or – if not available – internally by the undertakings (for instance for the general ledger)  Direct insurers will have to report information about their ceded claims to the reinsurer undertaking in order to allow the reinsurance undertaking to control its risk.  See AMICE (comment . 239) proposal on simplification for reinsurance (they asked to use E4 only for the direct business).  Use the definition of claims used at national level or – if not available – internally by the undertakings (for instance for the general ledger)  IBNR aren’t directly requested in E4. RBNS is defined in the E3 LOG using the actuarial guidance. I wonder if we need to give more explanations (there are actuarial guidance that deal with it)  Information on claims settled without payment are needed also for analyzing artificial close of claims.  Undertakings are free do decide the reporting under AY or UWY, except for cases where NSAs introduced specific guidance |
| 242. | CFO Forum & CRO Forum | | | TP – E4- General | Some companies do not systematically look at their data in this format for the calculation of TP and currently data received does not allow total completion of this QRT , due mainly to lack of detail provided on bordereau from partners etc.  EIOPA do not believe that this form should have a large cost for undertakings as the “requested data are usually used for the calculation of TP”. This may or may not be true but the transformation of the data into the required format would be hugely expensive. Some companies do not systematically look at their data in this format for the calculation of TP. Particular difficulties include:  - Defining a “Number of Claims” in the purpose of partially settled claims or claims that cover more than one line of business.  - The calculation of how claims become settled.  - To calculate the data for form E4 would require going back to individual claims records. This would be vastly expensive.  A better alternative would be to simplify the template for the following data:  The information received from the cedants, in case of Reinsurers, is proportional, we are informed about a total amount of payments or reserves. It is not possible to know what the amount was at beginning of this year and what its evolution by individual claims was. Also as there are differences between the date of issuing accounts and when we receive the information (3 months) it is impossible to give a correct data. With reference to XL and FAC part of the information is available but we do not have this type of report as it is not a data that we use in management  Clarification is also required on how to deal with currency fluctuations. | | According to the log, the frequency of this template is annual  E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  No data are required for reinsurance (only gross business) |
| 243. | Danish Insurance Association | | | TP – E4- General | This template is poorly aligned with how Danish undertakings manage their business. Furthermore the template provides little added value compared vis á vis template E3.  RBNS is rarely used in Danish undertakings, and is not related to the most widespread actuarial methods for calculating claims provision – IBNR and IBNER. Using RBNS thus does not provide an improvement in risk management and thus will provide little utility for undertakings.  The reporting of template E4 will however lead to an increase in administrative costs, since it requires a registration of every case movement. The principle of proportionality should imply that undertakings which don’t use RBNS in claims provision run-off should not have to fill in template E4.  Finally if RBNS is required we stress that it is only relevant in long-tailed lines of business, e.g. workers comp etc. Hence we suggest that E4 is only provided for these lobs if any at all.  For undertakings using an internal model this template also seems excessive since the internal model should properly assess the risk of the undertaking. The information in TP-E4 may not be relevant to the undertaking and may not be used in the undertaking’s risk management and hence should not be mandatory. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  It is important to know from where the inadequateness of technical provision come in order to correct the methodology of calculation ( if it comes from already close claims, reopened etc..) |
| 244. | Federation of Finnish Financial Services | | | TP – E4- General | This is not consistent with Solvency II reserving process.  Does not give any information, especially in short-tailed business.  This template is overly ambitions and burdensome to create. All base systems do not support open and closed codes, and certainly not reopening codes. For a claim occurring in the current accident year, the claim could be closed and reopened during the same year and it would be impossible to split the payments into paid on closed and reopened claims.  The entire form is based upon the assumption that one can distinguish open from closed claims, thus the usability of this report is highly dependent on the reserving process and systems in place; if a case reserve with a standard reserve is used, then the number of claims and closed/open status are relevant. But if such a process is not used and/or not supported by the systems, the number of claims data has poor quality even if it was available.  In addition to this, there are lobs, like workers comp or other personal lines, where it is impossible to close a claim. We also feel that the form is too detailed, and it should not be necessary to split on open, closed and reopened claims.  The template implies a connection between each individual claim in the base system and the corresponding amount booked in general ledger. (e.g. column 17) This connection does not exist today, and the history is not possible to recreate.  Currency: We suggest doing the entire template in converted currency.  Accident year/underwriting year: Insurance information by accident year and reinsurance by underwriting year then capturing the nature of the contracts and cover periods. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision.  For a claim occurring in the current accident year, it is not necessary to report the reopen claims.  Agree, the split by material currency was deleted.  On the log it is specified that undertakings are required to report data on accident year or underwriting year basis, according to the convention eventually ( if any) required at national level by the National Supervisory Authority responsible for the supervision. |
| 245. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- General | See FNMF comments on TP-E3 | |  |
| 247. | German Insurance Association (GDV) | | | TP – E4- General | This template is based on the assumption that one can distinguish open from closed claims, thus the usability of this report is highly dependent on the reserving process and systems in place; if a case reserve, with a standard reserve is used, then the number of claims and closed/open status are relevant. But if such a process is not used and/or not supported by the systems, the number of claims data will not be of good quality/available.  In addition to this, there are LOBs, e.g. workers compensation or other personal lines (e.g. MTPL or general liability), where it is impossible to close a claim. It should not be required to split open, closed and reopened claims. The template implies a connection between each individual claim in the base system and the corresponding amount booked in the general ledger, for example cells P1-P11. This connection does not exist today, and it is not possible to recreate the.  For reinsurance, the split of claims between those opened, settled and closed doesn’t give any risk sensitive information but causes great IT-efforts. This is valid for gross data and especially for net-data. Quite often it won’t be possible to standardise the related processes especially in the case of Nat Cat. The corresponding IT-efforts might be tremendous.  To complete this template is not feasible for assumed reinsurance business, there are a number of constraints which means the information is not available for reinsurance undertakings:   Number of claims.   Number of claims which are still open and the corresponding RBNS/IBNR.   The number of claims ended without any payment.   The IBNR of a reinsurance undertaking usually does not refer to a specific claim.  Guidance is required on open claims, the number of events, and definition of a claim. We query whether IBNR are calculated on a gross or net basis and also whether a clearer definition of RBNS will be made available. It is unclear to us whether the templates are applicable to the reinsurance business and whether they are applicable to undertakings dealing with both SLT and NSLT.  Further clarification would be helpful on EIOPA’s motivation to require specific information on claims settled without payment. This information might be required to check that undertakings do not “adjust” their results however we believe that reporting re-opened claims should be sufficient. The information on claims settled without payment would be an onerous development for undertakings.  For general comments on LOB/currency combinations, please refer to cell TP – E3 – cells 00 and 04.  Undertakings should be free to choose whether they report by AY or UWY. For most direct insurers this will be AY but there may be instances where UWY is more appropriate. This essentially is a business decision and reporting requirements should not impact on an undertaking’s ability to choose the best way of monitoring their business. Considerable effort would be required for each claim to be tracked to each policy risk period and then create an algorithm to re-allocate to the alternative period. Some Members were uncertain whether they would have the capacity to create such systems.  In some jurisdictions, the analysis for numbers of claims are carried out across accident years of numbers of claims closed and numbers of claims outstanding for each reporting category. To determine separately the numbers of new notifications, numbers of “old” and “new” claims closed in the year and numbers of re-opened and closed claims in the year will be extremely onerous.  For some undertakings, it will be difficult to obtain the net data, as well as the data pertaining to reopened claims in the year (gross). In some cases, undertakings are not able to show this information (RBNS claims with detail of claims opened at the beginning of the year, claims incurred during the year, claims reopened during the year) as it is not officially required in the Balance Sheet. In particular, it may be difficult to report the number of claims.  We question the need to report by currency. If a split by currency is required, the currency used should be the settlement currency of the claims rather than the settlement currency of the premiums, this is due to the fact this template relates to claims provisions.  Reporting of claims numbers would be possible but it would have its own drawbacks. There is no industry standard on claim numbers for example, one accident might be regarded as one claim, two claims (fire with damage to building and personal property) or many claims (several injured persons in an accident). This ambiguity would make reporting less meaningful.  Information of movement of non-life claims portfolios does not substitute a P&L attribution and is for common actuarial techniques not relevant. We see no need to calibrate indirectly the underwriting risks with this information. Template E3 provides more relevant (and enough) information in this regard. The template implies a connection between each individual claim in the base system and the corresponding amount booked in general ledger. (e.g. column 17) This connection does not exist today, and the history is not possible to recreate.  To complete this template is not feasible for assumed reinsurance business due to the following constraints:   The number of claims is not available for a reinsurance undertaking.   The number of claims which are still open and the corresponding RBNS/IBNR are are not available for a reinsurance undertaking.   The number of claims ended without any payments is not available for a reinsurance undertaking   The IBNR of a reinsurance undertaking usually does not refer to a specific claim.  Therefore, this template should be limited to primary insurance undertakings and direct business only, and should not be reported by reinsurance undertakings.  We understand and support the need for EIOPA to collect this kind of information, but the template should be simplified.  Too much details and for too long periods are requested. This requires a lot of effort to set-up systems, with huge costs for undertakings.  The entire templateis based upon the assumption that one can distinguish open from closed claims, thus the usability of this report is highly dependent on the reserving process and systems in place; if a case reserve with a standard reserve is used, then the number of claims and closed/open status are relevant. But if such a process is not used and/or not supported by the systems, the number of claims data has poor quality even if it was available.  Further clarification required:   Information about reserves for not yet settled claims is required. These reserves are usually set according to local GAAP and are therefore not comparable to (discounted) best estimate reserves, given in most other sheets. Furthermore, most of this detailed information is already covered by the paid and incurred triangles in E3. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  No data are required for reinsurance (only gross business)  Direct insurers will have to report information about their ceded claims to the reinsurer undertaking in order to allow the reinsurance undertaking to control its risk.  On the log it is specified about the number of claims to be reported that undertakings will use their specific definition or, if available, specification existing at national level ( for instance requirement laid down by the National Supervisory Authority)  The definition of RBNS is on the log of E3 template . It refers to “provisions in respect of claim events that have happened and reported to the insurer, but have not yet been settled, excluding IBNR (incurred but not reported claims). These may be case-by-case reserves estimated by claims handlers and do not need to be on a best estimate Solvency II basis”  This template is applicable to reinsurance accept business. This template is applicable to undertakings dealing with both SLT and NSLT but only to NSLT business.  Claims closed without payments are necessary to check the undertaking policy on open, reopen and closing claims, and changes on this policy  Information on claims settled without payment is needed also for analyzing artificial close of claims.  On the log it is specified that undertakings are required to report data on accident year or underwriting year basis, according to the convention eventually (if any) required at national level by the National Supervisory Authority responsible for the supervision.  No data are required for ceded reinsurance (only gross business)  Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 248. | Groupe Consultatif | | | TP – E4- General | It is not clear how this template would serve the desired benefits. The distinction into open claims at the beginning of the period and claims incurred during the year as well as for being open or closed at the end of the period might be a good starting point for a claims handling monitoring, but it is not directly related to the way how claims provisions are established by employing the actuarial function and applying related estimation techniques.  Overall we consider this an onerous request with no clear benefit. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes. |
| 249. | ING Group Data modelling team | | | TP – E4- General | Where should the not-direct annuities stemming from non-life be reported, in TPE3 or TPF4? (Now, TPF4 explicitly excludes non-direct and TPE3 excludes annuities stemming from non-life)Please confirm:  Report contains Direct business and Accepted reinsurance (as opposed to E6 which only reports Direct business) | | It is specified on E3 and F4 template. F4 log states: “Obligations move from E3 into F4, when both of the conditions below are met:  (i) the obligation has a high degree of certainty that it will be settled as an annuity; and  (ii) an amount can be established using life techniques for the RBNS required for the annuity”  The reporting requirement was modified: undertakings are exempted from the reporting of accepted business, then only direct business must be reported. |
| 250. | KPMG | | | TP – E4- General | Consideration of exposure – such as policy count we believe would also benefit supervisors | | Noted |
| 252. | RSA Insurance Group plc | | | TP – E4- General | It was not until November 2011 that it was clarified that the RBNS triangles in form TP-E3 were in respect of “case reserves”, thus highlighting the duplication of reporting on E3 and E4. We believe this duplication removes the need for E4 rather than E3, the latter form containing sufficient information for the needs of supervisors.  Firstly, “case reserves” are not a Solvency II concept. It would seem undue weight is being placed on case reserves as a component of the Technical Provision calculation. In order to calculate our Technical Provisions, we already perform actuarial techniques that assess the sufficiency or otherwise of the case reserves as part of our process and hence the risk of the case reserves being too high or low is less important than the disclosure suggests.  There are two basic chain-ladder methods to assess the ultimate cost of claims.   Paid chain-ladder - this uses just the paid claims, so ignores the case reserves   Incurred chain-ladder - this uses the sum of the paid claims and the case reserves.  Only the second method is affected by case reserves and could potentially lead to an error in calculation; however an actuary always uses a variety of methods and if the case reserves were being over or underestimated, this would be identified by the paid chain-ladder, or any of the other non chain-ladder methods such as AVCC.  It would also be identified by validation of actual vs expected that the actuarial function would perform.  Hence, we strongly believe there is a false concern about the accuracy of case reserves affecting technical provisions that underlies the vast proposed disclosures.  Thus, we do not in principle agree that E4 as a form is necessary. We support limited disclosure on an aggregated basis as in E3. A suggestion would be to include within E3 additional triangles for the numbers of open and closed claims.  We welcome the change in requirements regarding the currency to be used: we believe undertakings should be able to choose between economic and settlement currency.  If the national supervisor is to decide on any nationwide convention on the year (accident or underwriting), undertakings need guidance as soon as possible on what that is to be, in order to plan. We believe that undertakings should be able to choose the basis they prefer.  Undertakings will also find it difficult to populate the form immediately with all required historical data – the burden on undertakings needs to be considered and some leniency incorporated. | | E4 requires to report basic information about claims open/re-open/closed or partially settled etc that are useful for both provisioning and risk management purposes,and it is not included on E3 information and E4 allows to know where the inadequateness of the provision come from.  Not clear the distinction between economic and settlement currency  It will depend on the NSA |
| 254. | Thomas Miller & Co Ltd | | | TP – E4- General | Requiring this QRT on a per line of business per currency split, seems overly burdensome on the insurer as it could result in a large number of reports that have to be generated. | | According to the log, the frequency of this template is annual |
| 255. | XL Group plc | | | TP – E4- General | The presentation of this information is considered cumbersome and has no obvious management use. It is therefore felt that this form should not be required.  There is no indication of the approach for valuation differences in the LOG. For example column B plus column C would not equal column D, as movements in the value of outstanding claims does not appear to be included. An additional column for valuation movements would allow the ‘Gross RNBS at the end of the period’ to be the sum of prior columns.  There appears to be no consideration of the potential effects of FX on this form. FX will affect the forms in so far as some forms are reported in Reporting currency rather than original currency. | | Colum D cannot be equal to colum B+C, because the purpose of this template is to show the run-off of the technical provision. |
| 256. | CEA | | | TP – E4- Materiality | Ceding undertakings usually don’t communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should not be required to complete this template.  We propose reporting for different currencies up until X% (to be determined) of the technical provisions are reached, then report for all other currencies under “other currencies”. | |  |
| 257. | CFO Forum & CRO Forum | | | TP – E4- Materiality | The materiality threshold in the summary file is inappropriate. It refers to the overall size of the line of business, not the materiality of the annuities within it. A large line of business with two annuities in different currencies may need to be split out, whereas a small line of business consisting of 200 annuities in 5 different currencies may not. | | Do not agree |
| 258. | German Insurance Association (GDV) | | | TP – E4- Materiality | Ceding undertakings usually don’t communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should be required to complete this template.  The materiality threshold in the summary file seems inappropriate. It refers to the overall size of the line of business, not the materiality of the LoB within it..  We propose reporting for different currencies up until 90% of the technical provision are reached, then report for all other currencies under “other currencies”. | | The reporting requirement was modified: undertakings are exempted from the reporting of accepted business, then only direct business must be reported.  The split by material currency was removed |
| 259. | RSA Insurance Group plc | | | TP – E4- Materiality | We agree with the de minimis rules for currency, except that 3% is too low – this would mean that (potentially) a currency comprising only 0.75% (25% of 3%) of the total LoB would need to be reported. We believe a threshold of 10% ought to be set instead of 3%.  We also note that materiality is calculated by reference to RBNS; whereas E3 is calculated by reference to BE. It is therefore likely that the forms are not going to be consistent with each other. This needs to be properly considered.  We question, however, why analysis is required by currency at all: in our group, existing Solvency I reporting across all relevant member states does not request such information at this level of detail. Where currency information is requested, it is either in summary form, or in total with a much clearer objective. Here, the objective is not clear, however. This form needs to be reconsidered. | | The split by material currency was removed  The volume base to measure the materiality threshold in E4 is the RBNS  Agree: the split by material currency was removed |
| 260. | Association of British Insurers (ABI) | | | TP – E4- Purpose | We do not feel the objective of this template justifies the significant development cost that will be required to complete it. | | E4 requires to report basic information that every undertaking should hold (claims open/re-open/closed or partially settled etc are usually data reported in the general ledger) that are useful for both provisioning and risk management purposes.  This templates was proposed on tha base of concrete experience of this reporting in some member states |
| 261. | CEA | | | TP – E4- Purpose | We express concern at the level of detail in this template and believe that EIOPA’s purpose could be fulfilled through a simpler template. As these templates require information to be split by line of business and currency, fulfilling the proposed reporting requirements will be extremely onerous; there could be cases of 100+ LOB and currency combinations. We question the additional need to perform an analysis by currency. | | The split by material currency was removed |
| 262. | CFO Forum & CRO Forum | | | TP – E4- Purpose | Reinsurers do not receive this level of claims information from their cedants. Therefore this template should be restricted to direct business only in line with template TP-E6. | | The reporting requirement was modified: undertakings are exempted from the reporting of accepted business, then only direct business must be reported. |
| 263. | Federation of Finnish Financial Services | | | TP – E4- Purpose | The number of reopened claims is very low and therefore the systematic follow upp haven’t been necessary in order to increase the visibility or accuracy of reserving. Also the definition of closed claim may not be systematic between company’s and therefore the comparability is poor and information marginal to the reserving process.  See CEA comments. Filling the template should not be required in countries where RBNS reserving and classifying claims to open/closed/reopened is not commonly used. | | Reopened claims are important because they allow supervisors detecting undertakings with serious problems in the claims management. It´s true that undertakings with no claims management problems have a little amount of reopened claims (and for them, monitoring them shouldn’t be a problem).Supervisors will get an important benefit from this report, to the extent it allows to detect undertakings with problems in the management of claims, since a lot of them have a big amount of reopened claims, what can cause an insufficient provision. |
| 264. | FNMF - Fédération Nationale de la Mutualité | | | TP – E4- Purpose | See FNMF comments on TP – E3- General | |  |
| 266. | German Insurance Association (GDV) | | | TP – E4- Purpose | We express concern at the level of detail in this template and believe that EIOPA’s purpose could be fulfilled through a simpler template. As these templates require information to be split by line of business and currency, fulfilling the proposed reporting requirements will be extremely onerous; there could be cases of 100+ LOB and currency combinations. We question the additional need to perform an analysis by currency.  As the requested information is not available for accepted reinsurance business, the supervisory purpose, in respect of P&L stemming from movements of the claims outstanding, might nevertheless be fulfilled. Actual vs. expected analysis have to be performed as part of the actuarial analysis (Art. 48 (1f) of the Directive: compare best estimates against experience). | | Same comment as CEA  The split by material currency was removed.  The reporting requirement was modified: undertakings are exempted from the reporting of accepted business, then only direct business must be reported. |
| 267. | Groupe Consultatif | | | TP – E4- Purpose | Not clear how the stated purpose would assist the regulators in assessing the technical provisions. | | Already commented |
| 268. | RSA Insurance Group plc | | | TP – E4- Purpose | We do not understand why the reporting of claims closed and reopened during the year is needed for supervisory purposes. The LOG does not proffer any purpose and the summary document does not specifically refer to this either. See “General” above and “Materiality” below. The content, extent and purpose of this whole form need to be reconsidered. | | Already commented |
| 269. | German Insurance Association (GDV) | | | TP – E6- Benefits | The benefits from reporting this template are supervisory only. Data in this particular split/specification is not presently used in the processes, or actuarial models of calculating and assessing technical provisions. | | Don’t agree. In many cases the loss distribution is part of the renewal information provided to the reinsurers. |
| 270. | CEA | | | TP – E6- cells A1-A20 | Clarification would be helpful on whether EIOPA expect a split per LOB by AY/UWY or of one approach will be applied to all LOBs in this template. | | To be decided by National Supervisory Authority. |
| 271. | German Insurance Association (GDV) | | | TP – E6- cells A1-A20 | 1. Further clarification required:    1. Clarification would be helpful on whether EIOPA expect a split per LOB by AY/UWY or of one approach will be applied to all LOBs in this template. 2. Please refer to TP – E3 – General for comments on the reporting year. | | 1. Clarification:    1. To be decided by National Supervisory Authority. 2. See LOG. |
| 272. | Groupe Consultatif | | | TP – E6- cells A1-A20 | Please mark the cells as in E4! | | Marking of the cells is in line with the internal current taxonomy guidelines. |
| 273. | CFO Forum & CRO Forum | | | TP – E6- cells AE1-AE20 | This disclosure is onerous and not particularly sensible. | | Historical data is not required from the start but might be filled on a best effort basis. Finally the number of AY/UWY years must be equal to the maximum number of AY/UWY to be reported in the run-off triangles of template E3. |
| 274. | German Insurance Association (GDV) | | | TP – E6- cells AE1-AE20 | Number of claims for reporting year minus 14 too onerous and not sensible | | See 273. |
| 275. | CFO Forum & CRO Forum | | | TP – E6- cells AF1-AF20 | This disclosure is onerous and not particularly sensible. | | See 273. |
| 276. | German Insurance Association (GDV) | | | TP – E6- cells AF1-AF20 | Total claims incurred for reporting year minus 14 too onerous and not sensible | | See 273. |
| 277. | CEA | | | TP – E6- cells B1-B20 | Please refer to TP-E6 -cell A1. | | See 270. |
| 278. | German Insurance Association (GDV) | | | TP – E6- cells B1-B20 | Please refer to TP - E6 - cell A1. | | See 271. |
| 279. | CEA | | | TP – E6- cells C1-C20 | Clarification is required on whether the loss amounts disclosed relate to just the reporting period or the cumulative total for that year. | | Loss amounts disclosed relate to cumulative total for that specific year. |
| 280. | German Insurance Association (GDV) | | | TP – E6- cells C1-C20 | Clarification is required on whether the loss amounts disclosed relate to just the reporting period or the cumulative total for that year. | | Loss amounts disclosed relate to cumulative total for that specific year. |
| 281. | RSA Insurance Group plc | | | TP – E6- cells C1-C20 | Guidance is required on how to count claims: for instance, a single policy may be linked to a number of heads of damage, but might all count as one risk. | | Number of claims is the sum of the number of open claims at the end of the period plus the number of closed claimed ended with payments and must be in line with template E4. |
| 282. | German Insurance Association (GDV) | | | TP – E6- cells F1-F20 | Please refer to TP – E3 – General for comments on the reporting year. | | Historical data is not required from the start but might be filled on a best effort basis. |
| 283. | CEA | | | TP – E6- Costs | Please refer to cell TP-E3 – Costs. | | Historical data is not required from the start but might be filled on a best effort basis. |
| 284. | German Insurance Association (GDV) | | | TP – E6- Costs | Please refer to cell TP - E3 – Costs. | | Historical data is not required from the start but might be filled on a best effort basis. |
| 285. | RSA Insurance Group plc | | | TP – E6- Costs | See “Purpose” above – there is no value to internal model undertakings from this form, yet there will be significant costs. | | Don’t agree. Loss distribution is a key indicator of claims development for every non-life insurer and does not depend on the use of a Standard Formula or (Partial) Internal Model. |
| 286. | UNESPA – Association of Spanish Insurers | | | TP – E6- Costs | Reinsurers consider it very high | | Template is not applicable for reinsurers. |
| 287. | The Directorate General Statistics (DG-S) of the E | | | TP – E6- Frequency | Please refer to TP – E1 & E1Q- Frequency | | Noted. |
| 289. | AMICE | | | TP – E6- General |  | |  |
| 290. | Association of British Insurers (ABI) | | | TP – E6- General | Data for completion of this QRT is (consistent with E4) incomplete, due again to issues like the receipt of bordereaux summaries – again gaps are not considered material in terms of total provisions | | Noted. |
| 291. | CEA | | | TP – E6- General | 1. For general comments, please refer to cell TP – E4 – General. 2. The data requested in this template is not readily available, for example some systems use average claims and do not have any well defined small reserve amount per claim. Finding the payment amount per claim (for smaller claims) upon implementation of Solvency II is expected to be difficult, as this information is generally only recorded for the larger losses. Also, in other systems, only claims above a certain threshold are stored individually from some reporting claim systems. If the claim size categories start below the threshold, there can be problems finding the exact numbers in the first categories. 3. Some systems do not record case estimates, hence undertakings could only use the payments to assess the claim size. Whereas in other systems, all open claims have a case reserve associated, and it is possible to find the reported incurred claim cost (paid + case). This means that the definition of “claim cost per loss” can be different for various systems and countries. 4. Since all the figures should be reported in reporting currency, the appropriate currency rates must be applied. Finding the exact time of transaction for all paid amounts will be difficult as the data may span across systems/countries therefore the amounts in reporting currency will be subject to some uncertainty. 5. It would be useful to collect information on the claims distribution. According to the LOG “incurred” means the “sum of gross paid and gross outstanding amounts for each claim”. However, here arises the same problem as with TP-E4. 6. We query how this information would be captured by an undertaking involved in a merger upon initial completion of the merger. 7. Further clarification required:    1. It is not clear if the template deals with only risk insurance or also other classes of insurance?    2. Some definitions must be clarified for this template to make sense, for example should zero-claims be counted? What currency principles should be used? Should case estimates be added to the claim cost, and if so, from which countries/systems? | | 1. Noted. 2. For smaller claims best practices (e.g. default amount) are allowed as long as it is in line with the run-off triangles. 3. See 2. 4. Agree. 5. Noted. 6. Information must be upgraded with the data of the undertaking taken over, including historical data starting from 2014. 7. Clarification:    1. Template deals with all the underwriting risks that falls within the scope of the definitions given for each line of business.    2. Will be clarified in the final LOG without going too much in detail. |
| 292. | CFO Forum & CRO Forum | | | TP – E6- General | We support that this template should apply only to Direct Business only especially in cases such as Reinsurers do not receive this level of claims information from their cedents. | | Noted. |
| 293. | Danish Insurance Association | | | TP – E6- General | For undertakings using an internal model this template seems excessive since the internal model should properly assess the risk of the undertaking. The information in TP-E6 may not be relevant to the undertaking and may not be used in the undertaking’s risk management and hence should not be mandatory. The purpose of E6 is to evaluate the standard model’s ability to calculate SCR for reserve risk. For an undertaking using an internal model this is obviously irrelevant, since the supervisor has already approved an internal model which is more appropriate for calculating reserve risk. | | Don’t agree. The loss distribution is one of the key indicators to evaluate the claims development and to check if the approaches used in the internal model are still valid compared with the actual data. |
| 294. | Federation of Finnish Financial Services | | | TP – E6- General | 1. It should be sufficient with 10 accident years in this template. 2. Other comments are that the data is not readily available from all countries/systems. For example, some systems use average claim and do not have any well defined small reserve amount per claim. So we can only use the paid amount for losses that are not yet closed. Also, in other systems, only claims above some threshold are stored individually from some reporting claim systems. This means that finding the payment amount per claim for smaller claims as at Dec 31st can be difficult, as this information is generally only recorded for the larger losses. Hence, if the claim size categories start below threshold, there can be problems finding the exact numbers in the first categories. 3. Some systems do not record case estimates, hence we can only use the payments to assess the claim size. Whereas in other systems where, in general, all open claims have a case reserve associated, and we can find the reported incurred claim cost (paid + case) for them. This means that the definition of “claim cost per loss” can be different for various systems and countries. 4. Since all the figures should be reported in reporting currency, the appropriate currency rates must be applied. Finding the exact time of transaction for all paid amounts can be tricky from some systems/countries, so the amounts in reporting currency will be subject to some uncertainty. 5. Some definitions must be made for this template to make sense, e.g., should zero-claims be counted? What currency principles to use? Should case estimates be added to the claim cost, and if so, from which countries/systems? 6. The allocation of collective reserve to each band doesn’t enhance the reserving process or solvency assessment. Although without the allocation of collective reserve this distribution doesn’t give the correct insight to company’s claim distribution. 7. Clarification required for certain aspects: How should outstanding claims be valued? Should the reserves be discounted? Should they be at their best estimate or case estimate? Should the risk marginal also be considered? Should inflation be assessed with older claims? 8. Accident year (AY) based reporting should be allowed. (Also in the LOG!) 9. What is the expected outcome for this template for supervisors? | | 1. Historical data is not required from the start but might be filled on a best effort basis. Finally the number of AY/UWY years must be equal to the maximum number of AY/UWY to be reported in the run-off triangles of template E3. 2. For smaller claims best practices (e.g. default amount) are allowed as long as it is in line with the run-off triangles. 3. Agree. 4. Noted. 5. Will be clarified in the final LOG without going too much in detail. 6. Loss distribution is on case by case basis. To complete the evaluation of the claims development the development of the collective reserves must also be taken into account. 7. Will be clarified in the final LOG without going too much in detail. 8. The use of AY/UWY is to be decided by the National Supervisory Authority. 9. See purpose in the LOG. |
| 295. | German Insurance Association (GDV) | | | TP – E6- General | 1. For general comments, please refer to cell TP – E4 – General. 2. The data requested in this template is not readily available, for example some systems use average claims and do not have any well defined small reserve amount per claim. Finding the payment amount per claim (for smaller claims) upon implementation of Solvency II is expected to be difficult, as this information is generally only recorded for the larger losses. Also, in other systems, only claims above a certain threshold are stored individually from some reporting claim systems. If the claim size categories start below the threshold, there can be problems finding the exact numbers in the first categories. 3. Some systems do not record case estimates, hence undertakings could only use the payments to assess the claim size. Whereas in other systems, in general all open claims have a case reserve associated, and it is possible to find the reported incurred claim cost (paid + case) for them. This means that the definition of “claim cost per loss” can be different for various systems and countries. 4. Since all the figures should be reported in reporting currency, the appropriate currency rates must be applied. Finding the exact time of transaction for all paid amounts will be difficult as the data may span across systems/countries therefore the amounts in reporting currency will be subject to some uncertainty. 5. It would be useful to collect information on the claims distribution. According to the LOG “incurred” means the “sum of gross paid and gross outstanding amounts for each claim”. However, here arises the same problem as with TP-E4. 6. We query how this information would be captured by an undertaking involved in a merger upon initial completion of the merger. 7. Further clarification required:    1. It is not clear if the template deals with only risk insurance or also other classes of insurance?    2. Some definitions must be made for this template to make sense, e.g., should zero-claims be counted? What currency principles to use? Should case estimates be added to the claim cost, and if so, from which countries/systems?    3. The information required in this template does not correspond to the underwriting procedures of health insurance (health non-SLT). How should health insurers deal with this requirement? | | 1. Noted. 2. For smaller claims best practices (e.g. default amount) are allowed as long as it is in line with the run-off triangles. 3. See 2. 4. Agree. 5. Noted. 6. Information must be upgraded with the data of the undertaking taken over, including historical data starting from 2014. 7. Clarification:    1. Template deals with all the underwriting risks that falls within the scope of the definitions given for each line of business.    2. Will be clarified in the final LOG without going too much in detail.    3. For claims the health insurers must have a case by case approach for every insured person and therefore must be able to provide a loss distribution. |
| 296. | Groupe Consultatif | | | TP – E6- General | 1. Require claims incurred reporting in order to do this companies need to have case-by-case reserving, if this does not exist companies will need to allocate the reserve making the schedule slight ‘artificial’ 2. It would be helpful to have a header of the lines and an exact description of the cells’ contents. Is there consistency to the data in E4? | | 1. For smaller claims best practices (e.g. default amount) are allowed as long as it is in line with the run-off triangles. 2. See LOG. |
| 297. | ING Group Data modelling team | | | TP – E6- General | Please confirm:  1) The LOG refers to 20 brackets (intervals) and 1 row for excessive losses. This is 21 lines. Template only shows 20 rows and the formula in the sum is also only based on 20 rows (i.e. sum (C1..C20)). Assume need to report 21 lines and take sum of 21 lines  2) The distribution of the brackets must be one of the 5 distributions as proposed by EIOPA. Choose the distribution best representing the business.  3) Distribution taken in Reporting currency. I.e. if reporting currency is CZK then the ranges are in CZK (0 - 50.000 CZK - 100.000 CZK etc). | | 1. Agree. Template will be adapted. 2. Partially agree. An undertaking is still free to use undertaking specific brackets but the level of detail must be sufficient to provide adequate insight in the development of the claims distribution. 3. No, the ranges must be translated to the reporting currency. |
| 298. | KPMG | | | TP – E6- General | Not clear why this form would only apply to direct business | | For reinsurers a case by case approach is not possible due to the characteristics of the reinsurance treaties. A similar template based on a treaty by treaty approach might be considered for the future. |
| 300. | RSA Insurance Group plc | | | TP – E6- General | If the national supervisor is to decide on any nationwide convention on the year (accident or underwriting), undertakings need guidance as soon as possible on what that is to be, in order to plan. We believe that undertakings should be able to choose the basis they prefer. | | The use of AY/UWY is to be decided by the National Supervisory Authority. |
| 301. | The Directorate General Statistics (DG-S) of the E | | | TP – E6- General | Please refer to TP – E1 & E1Q- General | | Noted. |
| 302. | UNESPA – Association of Spanish Insurers | | | TP – E6- General | Lack of information on claims by accident year. Ceding insurers send information by year of adscription that can, or cannot, be the same of the accident year. | | The use of AY/UWY is to be decided by the National Supervisory Authority. |
| 303. | The Directorate General Statistics (DG-S) of the E | | | TP – E6- Groups | Please refer to TP – E1 & E1Q- Groups | | Noted. |
| 304. | CEA | | | TP – E6- Materiality | 1. Please refer to cell TP – E3 – Materiality. 2. Ceding undertakings usually don’t communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should not be required to complete this template. | | 1. Noted. 2. Template should be filled by every non-life insurer (including Non-SLT Health) only for the direct business. |
| 305. | German Insurance Association (GDV) | | | TP – E6- Materiality | 1. Please refer to cell TP – E3 – Materiality. 2. Ceding undertakings usually don’t communicate this information to the reinsurer. Because of this, the so called pure reinsurers (underwriting only reinsurance activity) should not be required to complete this template. | | 1. Noted. 2. Agree. For reinsurers a case by case approach is not possible due to the characteristics of the reinsurance treaties. A similar template based on a treaty by treaty approach might be considered for the future. |
| 306. | KPMG | | | TP – E6- Materiality | Should be consistent with Template E3 (currently states no materiality limit) | | There is no threshold for E6. |
| 307. | German Insurance Association (GDV) | | | TP – E6- Purpose | In our opinion it is not relevant or reasonable that undertakings on full internal models should go through the huge reporting burden that it is to report the templates E4 and E6. The internal model used by the undertaking which will be approved by the supervisor will take into account the reserve risk. In the description of the purpose of QRT E6 it is mentioned that “one can evaluate if the use of the standard formula to calculate the SCR for the reserve risk is appropriate” therefore it does not seem reasonable that undertakings using a full internal model should be forced to report this information. | | Don’t agree. The loss distribution is one of the key indicators to evaluate the claims development and to check if the approaches used in the internal model are still valid compared with the actual data. |
| 308. | Groupe Consultatif | | | TP – E6- Purpose | The purpose to discover changes in the structure of the claims will be met much better if there were with both total payments and RBNS-reserves | | Claims incurred means the sum of gross claims paid and gross outstanding amounts on a case by case basis for each claim, open and closed, which belongs to a specific accident year/underwriting year (AY/UWY). The outstanding amount is in line with the definition of RBNS (reported but not settled) in the Actuarial Guidelines and is consistent with templates E3 and E4. |
| 309. | KPMG | | | TP – E6- Purpose | Purpose is clear, although we do not believe that this form provides an appropriate method for assessing this. An easier approach would be to request a complete reconciliation between the best estimate cash flows at the beginning of the year and the actual outcome – breaking down the reconciliation with regards to number of claims (between different claim types), average claim size, inflation and any other aspects that caused the deviation. | | The loss distribution shows the development of the incurred claims through the years meaning the outstanding claims and the claims settled. How are the settled claims taking into account in the approach of KPMG? |
| 310. | RSA Insurance Group plc | | | TP – E6- Purpose | The stated purpose concerns only standard formula undertakings only – we infer from this that there is no purpose to this form for undertakings using a full internal model or a partial internal model where the standard premium and reserve risk modules are not being used. | | Don’t agree. The loss distribution is one of the key indicators to evaluate the claims development and to check if the approaches used in the internal model are still valid compared with the actual data. |
| 311. | RSA Insurance Group plc | | | TP – E7A- Benefits | See “Purpose” above. | | See 310. |
| 314. | RSA Insurance Group plc | | | TP – E7A- cell E1 | The purpose of this is not understood at all – analysis by SII LoB is sufficient. | | E7A focus on the underestimated gap between the sum insured and the outcome of the underwriting model where the reinsurance protection is based on. |
| 315. | CEA | | | TP – E7A- cell I1 | We question whether this cell is feasible for third party liability reinsurance (motor and general). In any case, more guidance is required on how to complete this cell. | | Template shall be filled by the non-life insurer only for direct business. |
| 316. | German Insurance Association (GDV) | | | TP – E7A- cell I1 | 1. This cell appears not feasible for third party liability reinsurance (motor and general). In any case more guidance is required on how to fill in the insured sum. 2. What has to be reported under unlimited sum insured? | | 1. Template shall be filled by the non-life insurer only for direct business. 2. In case of an unlimited sum insured 999999 must be filled. |
| 317. | German Insurance Association (GDV) | | | TP – E7A- cell J1 | What is a PML for motor vehicle liability insurance and general liability insurance? | | In case no MPL/PML/EML/Other is applicable the undertaking can use SI meaning the highest amount that the insurer can be obliged to pay out. |
| 319. | RSA Insurance Group plc | | | TP – E7A- cell J1 | The LOG states that the purpose of this cell is to assess the net retention – but this cell is irrelevant for doing so. Given that the form already requests the sum insured and the amounts reinsured both on a facultative basis and with other reinsurers, we believe this is not needed at all. | | E7A focus also on the underestimated gap between the sum insured and the outcome of the underwriting model where the reinsurance protection is based on. The gap might be significant in case of a total loss. |
| 321. | RSA Insurance Group plc | | | TP – E7A- cell K1 | See cell J1 above. | | See 319. |
| 324. | Federation of Finnish Financial Services | | | TP – E7A- Costs | Costly for the mass insurance lines where the peak risks are not defined but are handled with special rating. | | Unfortunately initial costs can not be avoided. |
| 325. | RSA Insurance Group plc | | | TP – E7A- Costs | 1. The “costs” section refers to facultative risks; yet the form also refers to “other” (non-facultative) reinsurers. We presume this is an error and that all reinsurance is to be considered. 2. Undertakings know about their gross risk exposures and about their reinsurance programme. Combining the two sets of data and analysing them by SII LoB, however, is a very intensive manual process, as we found during our recent dry-run exercise. Understanding our gross risks is of greater importance. We believe the costs have been underestimated and the benefits of this form overestimated. | | 1. Agree. Summary will be adapted. 2. E7A focus also on the underestimated gap between the sum insured and the outcome of the underwriting model where the reinsurance protection is based on. The gap might be significant in case of a total loss. |
| 326. | AMICE | | | TP – E7A- General | 1. Problem with assessing “peak risks “when applying aggregated reinsurance treaties, stop loss or excess loss type of reinsurance. 2. Could EIOPA confirm that “underwriting” refers to exposure? | | 1. Agree. Calculation is based on the principle that the peak risk will be the first claim that occurred. 2. Underwriting refers to the exposure of the risk accepted by the undertaking as a risk carrier. |
| 327. | ANIA Reinsurance Working Group | | | TP – E7A- General | 1. We suggest to report in this Template the major policy, on the basis of the sum insured, which can be underwritten by the Company for each LoB as regards direct business, in accordance with the Insurance and Reinsurance Policy approved by the Board of the Company, with the relevant detailed information referring to gross underwriting limit (gross of co-reinsurance), net underwriting limit (net of co-reinsurance), major policy effectively underwritten by the Company (gross of reinsurance) and net retention. This representation would be transparent and consistent with the qualitative contents of Pillar II. 2. Furthermore this kind of top risks selection would be appropriate in respect of the Solvency II goals and would involve the whole structure of the Company, while a representation based on the net amount sum insured would only involve the Reinsurance Department of the Company, pointing out either the biggest risks which need a facultative, or those few cases of risks exceeding the obligatory treaties for a limited amount, and retained by the Company in view of the fact that the facultative cession is not convenient. | | 1. The template must consist of the underwriting risks accepted by the non-life insurer. 2. E7A focus also on the underestimated gap between the sum insured and the outcome of the underwriting model where the reinsurance protection is based on. The gap might be significant in case of a total loss. |
| 328. | Association of British Insurers (ABI) | | | TP – E7A- General | This comment applies to TP-E7A & TPE7B. The presentation of this information is considered cumbersome and has no obvious use. Sufficient information should be included in the first 3 TP-E forms. It is therefore felt that these forms should not be required. | | Don’t agree. Professional supervision is not possible without having an insight in the gross and net risks accepted by the non-life insurer. |
| 329. | CEA | | | TP – E7A- General | 1. Assessment on homogeneity should be carried out by the actuarial function; we believe that this information could be requested on an ad hoc basis. 2. Regarding Reinsurance data (templates E7, J1, J2 regarding reinsurance used as risk mitigation): The reporting burden in total is extensive and we question if all this data around the reinsurance programmes of the undertaking is necessary. 3. Consideration should be given to narrative reporting requirements, this may be a more appropriate way of explaining the information requested in this template. 4. We question if this template provides valuable information about the homogeneity of the portfolio:    1. The peak risk will differ per LOB and is for some lines more relevant than for others. For most LOB’s there will masses of contracts with the same peak risk.    2. In some reinsurance programs there are a large number of stop/loss contracts. As a result, for car insurance programs there is the same net risk per policy. Guidance on how to report this would be reported.    3. Any other individual risks not covered via regular reinsurance programs are covered facultative. | | 1. Monitoring the homogeneity is an ongoing process. 2. Reinsurance is the most important instrument to mitigate the underwriting risk and therefore must be monitored intensively. 3. The narrative report is too high level to supervise the insurance portfolio and the reinsurance activities. 4. Answers:    1. In case of less relevant LOBs only the 2 biggest underwriting risks, based on net retention, must be filled. This can be two identical risks. In case the net retention is equal the two risks with the biggest sum insured must be reported.    2. See a).    3. Also risks which are reinsured facultatively may appear on this template. |
| 330. | CFO Forum & CRO Forum | | | TP – E7A- General | We support that this template should apply only to Direct Business only especially in cases such as Reinsurers do not receive this level of claims information from their cedents. | | No need to comment. |
| 331. | Danish Insurance Association | | | TP – E7A- General | For undertakings using an internal model this template seems excessive since the internal model should properly assess the risk of the undertaking. The information in TP-E7A may not be relevant to the undertaking and may not be used in the undertaking’s risk management and hence should not be mandatory. | | Don’t agree. Monitoring the biggest underwriting risks on a net basis is an ongoing process and will also be used as plausibility check to check if the approaches used in the internal model are still valid compared with the actual data. |
| 332. | German Insurance Association (GDV) | | | TP – E7A- General | 1. This template only has added value if seen for risks not covered via reinsurance programmes (facultative or regular). Assessment on homogeneity should be carried out by the actuarial function. This can always be requested by the regulator under the SRP. 2. Regarding Reinsurance data (templates E7, J1, J2 regarding reinsurance used as risk mitigation): The reporting burden in total is extensive and we question if all this data around the reinsurance programmes of the undertaking is necessary. 3. We query whether if peak risks occur, if this provides valuable information about the homogeneity of the portfolio.    1. The peak risk will differ per LOB and is for some lines more relevant than for others. For most LOB’s there will masses of contracts with the same peak risk.    2. In some reinsurance programs there are a large number of stop/loss contracts. As a result, for car insurance programs there is the same net risk per policy. Guidance on how to report this would be reported.    3. Any other individual risks not covered via regular reinsurance programs are covered facultative. 4. Further clarification required:    1. What kind of risks are to be considered in TP E7? Are these (i) exclusively risks that are reinsured optionally, (ii) all reinsured risks or (iii) all risks? In case these are e.g. XLs in motor vehicle liability insurance and general liability insurance, what to enter? From a theoretical perspective, each policyholder might have a claim exceeding the priority. In case always an identical priority exists, 10 times the same priority should be entered in the list? How to enter “Quote”? | | 1. Monitoring the homogeneity is an ongoing process. The SRP is too high level to supervise the insurance portfolio and the reinsurance activities intensively. 2. Reinsurance is the most important instrument to mitigate the underwriting risk and therefore must be monitored intensively. 3. Answers:    1. In case of less relevant LOBs only the 2 biggest underwriting risks, based on net retention, must be filled. This can be two identical risks. In case the net retention is equal the two risks with the biggest sum insured must be reported.    2. See a).    3. Also risks which are reinsured facultatively may appear on this template. 4. Clarification:    1. All risks must be considered in E7A. See also answer to 3a). |
| 333. | Groupe Consultatif | | | TP – E7A- General | 1. The net retention should be expressed in a consistent way i.e. everything from column K onwards should be based on the underwriting year model 2. The template is only well defined in Property Insurance where there are well defined sums insured. How is the risk defined e.g. in third party insurance? | | 1. Agree. Will be clarified in final LOG. 2. Agree. Will be clarified in final LOG. |
| 334. | ING Group Data modelling team | | | TP – E7A- General | 1. Log file states: “Template shall be filled by the non-life insurer only for direct business.” Our assumption is that his means that a Life insurer does not have to include this report, even if the Life insurer has Non-life/NSLT coverage’s. Can you confirm this? 2. If Non-life insurer has Life or SLT coverage’s should these be reported? (I.e. should this report contain only the Non Life LoB’s or should it also include the Life LoB’s when applicable). | | 1. That is correct. 2. Template should be filled by every non-life insurer (including Non-SLT Health) only for the direct business and only for the Non-life LOBs. |
| 336. | RSA Insurance Group plc | | | TP – E7A- General | 1. As the top two risks based on “net retention” for each LoB are requested, explanation is needed of what undertakings are to do when the policy is to reinsure all risks above a certain fixed amount. For instance, we have a policy of £25m retention for property and £5m for motor, meaning many more than just two risks will exist for the same amounts in those lines of business. This (common) situation needs to be taken into account to avoid the possibility of excessive reporting by undertakings. In the absence of guidance in this area, it should be clarified that we are simply to select two risks at random (or perhaps the two largest risks) in this situation. 2. Further, the basis on which risks are to be considered for reporting needs to be clarified: risks that have incepted during the year, or risks in force during the year. | | 1. In the example given the two largest risks must be selected. This will be clarified in the LOG. 2. The risks that are in force during the year must be reported. See also the LOG. |
| 337. | Thomas Miller & Co Ltd | | | TP – E7A- General | Sum Insured: Let’s say Company A’s insurance business is of such a nature that limits and risks are the same on any given line of business, there is no distinction in quantity of the sum insured. However multiple members are insured. Should the risk for the biggest member (premium, exposure) be listed? | | In case the net retention is equal the two risks with the biggest sum insured must be reported. In case the sum insured is equal too, the risks can be selected ad random. |
| 338. | XL Group plc | | | TP – E7A- General | This comment applies to TP-E7A & TPE7B. The presentation of this information is considered cumbersome and has no obvious use. Sufficient information should be included in the first 3 TP-E forms. It is therefore felt that these forms should not be required. | | Don’t agree. Professional supervision is not possible without having an insight in the gross and net risks accepted by the non-life insurer. |
| 339. | Crédit Agricole Assurances | | | TP – E7A- Materiality | Concerning casualty risks/insurance, with unlimited guarantees, how are the 20 main exposures by LoB defined? Should additional criteria be involved? Which one? | | In this example the risks can be selected on the probability of having a major/total loss. |
| 340. | CEA | | | TP – E7A- Purpose | We question why TP-E7A must be based on a net retention basis. EIOPA state that the purpose of the QRT is that “the information can be used in combination with current outgoing reinsurance programme (Re – J2) to evaluate the influence of a total loss in relation to the non-life insurer’s solvency and liquidity position”. We propose instead that this template be based on a gross basis as it is to be used in line with RE-J2. | | RE-J2 focus on the potential credit risk caused by the reinsurer. TP-E7A focus on the net amount to evaluate the impact of a total loss without taking into account the potential credit risk caused by the reinsurer. |
| 341. | Federation of Finnish Financial Services | | | TP – E7A- Purpose | The required extra claims for each line of business are not significant for the listing since some insurance lines doesn’t include major individual risks. | | For market analyses the evaluation of the underwriting risk profile will take place per LOB. |
| 342. | RSA Insurance Group plc | | | TP – E7A- Purpose | The scope of this form overlaps with both the J-series (reinsurance) of QRTs and the proposed RSR requirements for underwriting risk (section C1) on exposures, concentrations and mitigations. We question what benefit is being provided to the supervisory process that is not already provided by these other sources. Further, our undertakings prefer the J-series format, given its similarity to existing Solvency I reporting.  It is simply unclear what exactly is being sought by the supervisor here that is not already available elsewhere. We therefore believe this form should not exist at all. | | RE-J1 focus on the potential credit risk caused by the reinsurer. TP-E7A focus on the net amount to evaluate the impact of a total loss without taking into account the potential credit risk caused by the reinsurer. This approach may/will lead to two different outcomes. |
| 343. | Federation of Finnish Financial Services | | | TP – E7B- cell D1 | The sum insured hasn’t been evaluated in mass insurance lines where special rating is used (for example home full value insurance). The risks are handled with special rating and classification factors. The evaluation of each sum insured will lead to inconsistency between company’s results. | | To express the maximum liability of the insurer against the policyholder the sum insured should be used. |
| 345. | AMICE | | | TP – E7B- General | Could EIOPA confirm that “underwriting” refers to exposure? | | Underwriting refers to the exposure of the risk accepted by the undertaking as a risk carrier. |
| 346. | Association of British Insurers (ABI) | | | TP – E7B- General | This new QRT will be extremely difficult to complete, due to a number of reasons, namely lack of robust policy numbers (due again to bordereau receipts). The argument that this information is required for reinsurance purposes is not always correct, as some lines of business (e.g. other motor) are not reinsured, and hence this data is not required. | | The template is not obligatory for each LOB. See the three categories mentioned in the LOG. |
| 347. | CEA | | | TP – E7B- General | The term “mass risk” could be inconsistent compared to the LOB that is compulsory for this template. Usually “mass risk” refers to LOB characterised by a huge number of contracts with low severity. | | Agree. Term used will change into underwriting risk portfolio. |
| 348. | CFO Forum & CRO Forum | | | TP – E7B- General | We support that this template should apply only to Direct Business only especially in cases such as Reinsurers do not receive this level of claims information from their cedents. | | No need to comment. |
| 349. | Danish Insurance Association | | | TP – E7B- General | 1. There is need for improved guidelines specifying how E7B differs from other reinsurance templates, e.g. J2. Information on reinsurance is already extensively covered in the J-templates, the SFCR and the RSR thus E7B could be limited to the 20 largest risks including facultative coverage without a notable loss of information. Furthermore a materiality threshold should be included for smaller undertakings. 2. It should be noted that acquiring data for this templates requires manually identifying the 20 peak risks, and hence requires a listing of all risks. This is obviously a laborious process. 3. For undertakings using an internal model this template seems excessive since the internal model should properly assess the risk of the undertaking. The information in TP-E7B may not be relevant to the undertaking and may not be used in the undertaking’s risk management and hence should not be mandatory. | | 1. Professional supervision without having an insight in the underwriting risk portfolio, which reflects the core business of a non-life insurer, is not possible. Proportionality is included in a natural way for smaller undertakings have fewer Lobs and less big risks. 2. These templates should be part of proper risk management. 3. Don’t agree. Information about the risks accepted, which is the core business of non-life insurers, is one of the key indicators to evaluate the homogeneity of the portfolio and will also be used to check if the approaches used in the internal model are still valid compared with the actual data. |
| 350. | Federation of Finnish Financial Services | | | TP – E7B- General | 1. Filling this template requires tremendous amount of work. For example; LOB Other motor insurance the Sum insured (SI) is a function of time (the value of vehicles is reduced as they are aged). SI is found in core systems for some LOBs only, thus for several LOBs individual approximate-based models should be build. The usefulness of the information is highly questionable, as this does not take into account of the probability of the maximum loss occurring. 2. The sum insured hasn’t been evaluated in mass insurance lines where special rating is used (for example home full value insurance). The risks are handled with special rating and classification factors. The evaluation of each sum insured will lead to inconsistency between company’s results and will unnecessarily burden the tariff process if done during pricing. 3. The following requirements are especially difficult and cost full to obtain compared to the questionable benefits:    1. A policy cover comprising a number of buildings across the country must be broken down.    2. An overall cover which can not be seen as a single underwriting risk must be broken down.    3. In case of joint liability through co-insurance, the part belonging to a defaulting co-insurer must be included in the sum insured as well. | | 1. Information about the risks accepted, which is the core business of non-life insurers, is one of the key indicators to evaluate the homogeneity of the portfolio. 2. To express the maximum liability of the insurer against the policyholder the sum insured should be used. 3. Answers:    1. Unbundling is necessary to reflect the underwriting risk well.    2. See a).    3. The presence of joint liabilities for the default of a co-insurer should be mentioned in the Narrative reporting for this is a very important part of the policy acceptance guidelines. |
| 351. | German Insurance Association (GDV) | | | TP – E7B- General | The term “mass risk” could be inconsistent compared to the LOB that are compulsory for this template. Usually “mass risk” refers to LOB characterised by a huge number of contracts with low severity. | | Agree. Term used will change into underwriting risk portfolio. |
| 352. | Groupe Consultatif | | | TP – E7B- General | It would be helpful to have a header of the lines and an exact description of the cells’ contents. Do we have to fill in values in cells below A1, B1 etc? Please mark the cells to be filled in! | | Agree. Template and LOG will be adapted. |
| 353. | ING Group Data modelling team | | | TP – E7B- General | Log file states: “Template shall be filled by the non-life insurer only for direct business.”   1. Our assumption is that his means that a Life insurer does not have to include this report, even if the Life insurer has Non-life/NSLT coverage’s; Can you confirm this? 2. If Non-life insurer has Life or SLT coverage’s should these be reported? (I.e. should this report contain only the Non Life LoB’s or should it also include the Life LoB’s when applicable). | | 1. Correct. 2. Template should be filled by every non-life insurer (including Non-SLT Health) only for the direct business and only for the Non-life LOBs. |
| 355. | RSA Insurance Group plc | | | TP – E7B- General | It is not stated at all whether this form requires details of gross or net exposures: clarity is needed here. | | The template requires details of gross exposures. The LOG will be adapted. |
| 356. | The Directorate General Statistics (DG-S) of the E | | | TP – E7B- General | Please refer to TP – E1 & E1Q- General | | Noted. |
| 357. | XL Group plc | | | TP – E7B- General | This comment applies to TP-E7A & TPE7B. The presentation of this information is considered cumbersome and has no obvious use. Sufficient information should be included in the first 3 TP-E forms. It is therefore felt that these forms should not be required. | | Don’t agree. Professional supervision is not possible without having an insight in the gross and net risks accepted by the non-life insurer. |
| 358. | Crédit Agricole Assurances | | | TP – E7B- Materiality | Concerning casualty risks/insurance, with unlimited guarantees, how are the 20 main exposures by LOB be defined? Should an additional criterion be involved? Which one? | | In this example the risks can be filled in the last bracket showing the excessive and unlimited risks. |
| 359. | Federation of Finnish Financial Services | | | TP – E7B- Purpose | Should be filled only for large risk lines where the sum insured evaluation is a tariff factor. | | The evaluation of the homogeneity of the underwriting portfolio consists of all the risks including the bulk risks. |
| 360. | | German Insurance Association (GDV) | | TP – F1 & F1Q – Costs | Many man hours are required for implementation of these templates; there are several reporting systems that would have to be extended and data systems/warehouses to store the information.  In order to fully judge the cost of completing these templates guidance relating to the use of roll-forward technical provisions figures should be determined. This should be resolved as soon as possible. | | Noted  Noted |
| 361. | | UNESPA – Association of Spanish Insurers | | TP – F1 & F1Q – Costs | Reinsurers expect these costs to be high. | | Noted |
| 362. | | A.M. Best Europe - Rating Services Ltd | | TP – F1 & F1Q – Disclosure | We consider it important to have some public disclosure on the life technical provisions of an undertaking. We agree that the annual template is geared more towards regulatory requirements and therefore may be too detailed for publication.  We suggest, however, that in addition to the information scheduled to be included in the public template, the geographical split should also be included, albeit with higher materiality thresholds. Making this information private would be a retrograde step for some markets (e.g. UK) where this information has been public for several years. | | Disagree: most other stakeholders prefer only information from Quarterly (F1Q) to be disclosed |
| 363. | | AMICE | | TP – F1 & F1Q – Disclosure | We welcome EIOPA´s decision to take on board the industry´s recommendation on the granularity of the quarterly template for the annual public disclosure of Technical Provisions. | | Noted |
| 364. | | European Captive Insurance and Reinsurance Owners | | TP – F1 & F1Q – Disclosure | We object to public disclosure of this document for captives as this would release sensitive competitive information. Captives are seeking exemption from disclosure under article 53 (1). | | Disagree : No special exception on public disclosure for captive |
| 365. | | German Insurance Association (GDV) | | TP – F1 & F1Q – Disclosure | We support EIOPA’s proposal that the simplified template F1Q is used for public disclosure. | | Noted |
| 366. | | RSA Insurance Group plc | | TP – F1 & F1Q – Disclosure | We agree that form F1Q shoud form the basis of public disclosure. | | Noted |
| 367. | | AMICE | | TP – F1 & F1Q – Frequency | We find it unnecessary to report, on the last quarter of the year, the quarterly and annually “Life and Health SLT Technical Provisions” information. We therefore propose to exempt companies from reporting last quarter´s information.  The LOG document states that “For F1Q approximations can be used as no perfect reconciliation is required. For more information on how approximations can be applied, refer Article 88 of L1”. There is a typo in the LOG as the article which the application of approximations is the article 82 of the Framework Directive. | | Disagree: Discussed but For TP life and F1Q only core information and it´s relevant to have this some time before year reporting  Agree: Changed in  LOG |
| 368. | | Czech Insurers Association | | TP – F1 & F1Q – Frequency | Generally we suggest to revise frequency of Technical provison reports. | | Disagree: One annual and basic information on a quarterly basis are basic needs to monitor TP |
| 369. | | German Insurance Association (GDV) | | TP – F1 & F1Q – Frequency | The GDV appreciates that template F1Q is a simplified version of F1. This will help in the requirement to report the information quarterly. The use of approximations should still be accepted in quarterly reporting. We propose that a roll forward approach be used.  We question why the risk margin should be required on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or perhaps use an approximation based on last annual risk margin, for instance, keeping the same risk margin/BE ratio. | | Approximation can be used for F1Q  Disagree: But Risk Margin can be calculated in the use of simplifications in L2. Undertaking may derive it from results of an earlier calculation and more information to be found in Actuarial Guidelines |
| 370. | | The Directorate General Statistics (DG-S) of the E | | TP – F1 & F1Q – Frequency | Please refer to BS-C1 – Frequency | | Noted |
| 371. | | Association of British Insurers (ABI) | | TP – F1 & F1Q – Groups | We support the decision to give a single summarised technical provision template at a Group level rather than the detailed analysis that is restricted to the solo entities for F1, F2 and F3. Although we note that slightly more detail is now required for Financial Stability purposes. | | Noted |
| 372. | | German Insurance Association (GDV) | | TP – F1 & F1Q – Groups | We welcome the decision of EIOPA to remove this requirement from group reporting. | | Noted |
| 373. | | Royal London Group | | TP – F1 & F1Q – Groups | We support the change to make this a solo only template | | Noted |
| 374. | | The Directorate General Statistics (DG-S) of the E | | TP – F1 & F1Q – Groups | Please refer to BS-C1 – Groups | | This template will not be reported for groups |
| 375. | | UNESPA – Association of Spanish Insurers | | TP – F1 & F1Q – Groups | As has been commented in the general comments, some templates arise specific problems for insurance groups widely located in non-EEA markets; problems that should be solved permitting some kind of simple estimations in the case of these markets. This comment is fully applicable to the TP F templates group, because both BE and RM should be permitted to be reported using estimations. | | F1Q and F1 are only for solo companies and not for groups |
| 376. | | Deloitte Touche Tohmatsu | | TP – F1 & F1Q – Materiality | It should be possible to apply the materiality principle with regard to allocation of life insurance products to the SII LoBs in case the allocation is not clear without ambiguity and the product is not material in context of the whole portfolio.  Materiality principle should be applicable with regard to reporting on SII reinsurance recoverables in case the reinsurance represents an insignificant risk transfer with regard to the whole gross portfolio (in this case, reinsurance is often not modelled exiplicitely or approximations are used). Definition of individual materiality thresholds by insurance companies resp. reporting of local GAAP figures should be possible. This also applies for reinsurance receivables. | | Disagree: Should be possible to clarify which LoB that product belong to.  Disagree: No further threshold in this template. |
| 377. | | German Insurance Association (GDV) | | TP – F1 & F1Q – Materiality | We appreciate EIOPA’s proposal to add a materiality threshold for reporting the gross best estimate for different countries (countries representing up to 90% of certain LOBs) however we find that the proposed templates are not consistent for life and non-life. The LOG states that for TP – E1 & E1Q, the materiality threshold of 90% applies to direct business and the respective LOB. Whereas the equivalent reporting requirement in TP – F1 & F1Q, the threshold applies only to the respective LOB. This inconsistency should be corrected. | | Agree: changed to be consistent with TP E1 and E1Q |
| 378. | | RSA Insurance Group plc | | TP – F1 & F1Q – Materiality | The “up to 90%” requirement is unclear: given the stated “up to 90%” requirement, we presume that either there a minimum requirement that has yet to be specified, or that this actually means “at least 90%”. Please clarify this.  We believe the 90% limit is too high and that – in line with existing Solvency I practice in certain member states – 80% should be used instead. | | Agree: change in LOG  Disagree: 90% needed to give relevant information and no other stakeholders raise this concern |
| 379. | | The Phoenix Group | | TP – F1 & F1Q – Materiality | The proposals to report risk margin per LOB are overly onerous. We propose to report these items at an entity level only. This is justified by the fact that risk margin is calculated at entity level and not by LOB. We acknowledge that the current L2 Measures could be interpreted that technical provisions should be calculated by LOB. However, we should keep in mind that if the risk margin should be allocated by LOB it will be using proxies (e.g. during the QIS 5 exercise undertakings allocated their risk margin proportionally to the Best Estimate – update from Level 2 text?). To avoid reporting approximated and potentially misleading information, we strongly suggest merging all the cells regarding the risk margin. | | Disagree: But Risk Margin can be calculated in the use of simplifications in L2. Undertaking may derive it from results of an earlier calculation and more information to be found in Actuarial Guidelines |
| 380. | | Association of British Insurers (ABI) | | TP – F1 & F1Q – Purpose | One of the purposes is listed as ‘Surrender Value, for contracts with such options, for comparison with BEL’.  However, the row that used to show Surrender Value for contracts with a Surrender Value has been removed; therefore this comparison is not possible.  Please can we have consistency between the list of purposes and the actual data requested? | | Agree: Changed In LOG |
| 381. | | AMICE | | TP – F1 & F1Q- General | Although not all may agree, some AMICE members believe that the data required are useful and relevant for the undertaking and supervisors. However, the implementation of the data collection process and the development of the requested disclosures will be a very burdensome task (the model will have to be run twice to obtain the requested results).  The deletion of the requirement to inform on whether Homogeneous risk groups –HRG - are used (according to the risk profile of the obligations) and on the total number of HRGs used in each major LoB is welcomed.  Segmentation  The requested segmentation between “Contracts without options and guarantees” and “Contracts with options and guarantees” needs more attention in the LOG document to avoid Financial Guarantees being included in the item “Contracts with options” In most countries, contractual options have no relevance and the main risk driver is the minimum interest rate guarantee (i.e “Financial Guarantee”).These comments are based on the solo templates but they can also be extended to groups.  Segmentation should be allowed to be based on internal reporting.  Risk Margin  We agree with EIOPA that the allocation/adjustment of the risk margin between different LoBs is not a reporting issue but a calculation issue.  However, we reiterate the need to reconsider their position and to analyze the problems raised as to the difficulties encountered in segmenting the risk margin across the different lines of business during the QIS5 exercise.  Quarterly Reporting  We could agree on submitting information other than on an annual frequency provided that they would be based on proxies. As stated by the industry in April last year, these interim reporting should be done using proxies as often some of the (re)insurance undertakings processes can only be annual for methodological reasons, technological reasons (time needed to update all model data and time needed to process stochastic scenarios) and also risk management reasons (modifications of exposures due to modifications of trends may not be adequately captured on short term periods like a quarter of a year). | | Noted  Noted  Disagree: No extra split for this item  Disagree: Need to be same for all companies that report  Noted  Disagree: But Risk Margin can be calculated in the use of simplifications in L2. Undertaking may derive it from results of an earlier calculation and more information to be found in Actuarial Guidelines  Noted – some more explanation about this added in LOG. Should be more explained in Level 2 and actuarial guidelines |
| 382. | | Association of British Insurers (ABI) | | TP – F1 & F1Q- General | We believe the requirement to split out the components of TP (e.g. PV of guaranteed benefits, etc.) will be burdensome to complete, beyond the benefit of such extra work.  We suggest removing the new requirement for the total amount of surrenders.  Reference is made to Article 88 of L1. This seems to be incorrect. Should it be Article 82? | | Partly agree on burdensome but disagree on split as needed to better analyze each LoB  Disagree: Moved from F3 as information on product more difficult than on LoB  Agree: changed in LOG |
| 383. | | CFO Forum & CRO Forum | | TP – F1 & F1Q- General | Reference is made to Article 88 of L1. This seems to be incorrect. Should it be Article 82 ?  Some reinsurers do not think they should need to calculate the BE by country. It would be more appropriate to calculate it by the level of risks.  We support the decision to give a single summarised technical provision template at a Group level rather than the detailed analysis that is restricted to the solo entities for F1, F2 and F3. Although we note that slightly more detail is now required for Financial Stability purposes.  We believe the requirement to split out the components of TP (e.g. PV of guaranteed benefits, etc.) will be burdensome to complete, beyond the benefit of such extra work.  We suggest removing the new requirement for the total amount of surrenders.  The LOBs don’t match the LOBs in the L2 exactly as there are a few LOBs in QRTs where TPs are required with / without guarantees.  The reporting of gross best estimate by country should be limited to direct business only in line with template TP-E1. This is a clear current inconsistency. | | Agree: changed in LOG  Disagree: Need to follow up risks by country  Noted  Partly agree on burdensome but disagree on split as needed to better analyze each LoB-  Disagree: Moved from F3 as information on product more difficult than on LoB  Partly agree: but disagree on split as needed to better analyze each LoB  Agree: Changed to be same as in TP-E1 |
| 384. | | Deloitte Touche Tohmatsu | | TP – F1 & F1Q- General | In order to reflect the specific characteristics of the private health insurance contracts in some jurisdictions we suggest the development of individual QRTs for the health insurance.  LoB Definition :   In some jurisdictions further clarification with regard to the definition of the contracts with options and guarantees specific for SLT Health Insurance contracts would be helpful.   Further guidance required with regard to the definition of Lines of Business (LoBs) for Health Insurance products in some jurisdictions: clarification is required with regard to the explicit (mutual exclusiv) allocation of the Heath products between SLT and Non-SLT Health Insurance Lines of Business (LoBs).   In some jurisdictions more guidance is necessary with regard to allocation of life insurance products to corresponding Solvency II LoBs in case the allocation is not clear without ambiguity, for example, for products that contain both features - unit-linked and profit participation (e.g. are policies with profit participation for which profits are invested into funds to be reported as unit-linked policies or as participation policies?) | | Disagree: Not needed. If some jurisdiction feel they need that it could be done in National specific reporting  Probably not common with options and guarantees. Clarified in LOG  Noted - Not purpose for reporting to clarify this. Should be in L2 or guidelines.  Noted- clarification in L2 and further GL on TP |
| 385. | | Federation of Finnish Financial Services | | TP – F1 & F1Q- General | The sign notation has not been properly specified in the templates. It would be easier e.g. for checking purposes to specify  + into the undertaking and  – from the undertaking. | | Disagree: Keep the split for Cash out and cash in flows but moved to additional information |
| 386. | | German Insurance Association (GDV) | | TP – F1 & F1Q- General | A breakdown of the BE by cash inflow and outflow is too detailed for part of the business modelled using simplifications, we propose for those businesses to report the gross BE only. This is of particular importance for SMEs.  The reserving methods are covered through the governance and internal control procedures, they will also be incorporated in ORSA, and this level of control should provide sufficient confidence for supervisors. Cash inflows and outflows could be required in special cases of supervision.  The proposals to report risk margin per LOB are overly onerous. We propose to report these items at an entity level only. This is justified by the fact that risk margin is calculated at entity level and not by LOB. We acknowledge that the current L2 Measures could be interpreted that technical provisions should be calculated by LOB. However, we should keep in mind that if the risk margin should be allocated by LOB it will be using proxies.To avoid reporting approximated and potentially misleading information, we strongly suggest merging all the cells regarding the risk margin.  Clarification is required on whether workers compensation is a life LOB. For further details on this point, please refer to TP – E1 – General.  This template is complicated as it consists of many different values. Detailed guidance will be necessary on the reported values and their classifications.  For MCEV users:  In some templates the given structure does not match the approach certain insurers have chosen. As a consequence these insurers must apply simplification rules as percentage allocation or rule of three in order to fill all cells of these templates. In our opinion such simplification rules do not lead to satisfying results.  Example:  The reporting requirements go far beyond the information provided by MCEV models. Since MCEV models are commonly used by life insurers to manage their risks, the reporting requirements should be designed to be align with MCEV valuation and not prescribe a separate valuation approach. The current set of QRTs requires the latter, hence full compliance will be highly expensive without yielding any benefits to the undertaking. The design of the QRTs does not help the purpose of having risk management and risk reporting align and based on the same methodologies.  The LOBs don’t match the LOBs in the L2 exactly as there are a few LOBs in QRTs where TPs are required with / without guarantees.  Further clarification needed:   Cell F14: The proposed Algorithm leads to a double counting of the risk margin for health insurance. F14 especially contains the sum of F10 and F11, both containing the risk margin in E10 | | Disagree – discussed but decided to keep the reporting for this item on this level  Disagree – Decided the information needed on reporting  Disagree. Discussed but decided to keep on this level  Not a life Lob – Decided by L2  Noted  Noted, undertaking should be able to produce SII reporting also.  Partially agree: but this split needed to analyse LoB better and see amount of guarantees  Agree: Corrected in Template and LOG |
| 387. | | Groupe Consultatif | | TP – F1 & F1Q- General | The reporting requirements seem still too comprehensive and too granular. Especially the information at product level in TP-F3 is very burdensome for the undertaking. Furthermore it is questionable if the supervisory will get profound findings from what seems more like a data pool. The proportion between effort for the undertaking and benefit for the supervisory seems not to be appropriate.  The LOG document refers to Article 88 for information on approximations? Article 88 is on Own Funds. | | Noted  Agree: changed in LOG to article 82 |
| 388. | | ING Group Data modelling team | | TP – F1 & F1Q- General | Will EIOPA issue a closed list for simplified methods? | | No – but should be explained in narrative reporting |
| 389. | | Institut des Actuaires | | TP – F1 & F1Q- General | We would like to stress, from an actuarial point of view, the complexity to calculate a best estimate or a SCR (collecting the data, analyze it, produce model points, have several runs, analyze the results…). Clarity would therfore be welcome on the acceptability of simplification methods to calculate technical provisions and SCR for quarterly reporting, especially more so in the context of EIOPA’s consultation EIOPA-CP-11/011 on the Proposal for QRT for Financial Stability Purpose.  11. Usually statutory reporting is only produced on an annual basis. It means that quaterly communications for supervisors will not rely on data which entered an audited accounting process and and which entered a full balance sheet approach with a decision of the AMSB.  12. The period let to the production of the template are shorter than for the annual templates. Solvency 2 calculations needs somehow stochastics calculations, for which we need more times to produce the numbers.  13. Expectations about the diligence for quarterly should be lower because of 1 and 2  14. Therefore guidelines should be produced to limit the expectations of the supervisor. These guidelines could say that the quaterly reporting doesn’t go the ASMB body and that proxies may be used and that calculations may be based, for some assumptions and some datas on the previous annual inventory.  15. It would also help to avoid to highlight the differences between quaterly 4 and annual reporting due to a too short time of production.  Therefore, disclosing quaterly templates doesn’t seem accurate.  We also would like to stress the reconciliation problem for the Q4 reporting, that will be based on estimates and that will be difficult to compare with complete annual calculation. Therefore, we think that the full Q4 reporting is not necessary. We remind that if there were a big issue to be reported promptly, this could be done in the framework of the pillar 2 and ORSA. | | Noted – More information on this issue to find in Actuarial Guidelines  Noted  Noted  Noted  Noted – Actuarial guidelines will give more information on these issues  Only core information in F1Q to be disclosed but with data from Annual reporting  No need for full reporting in Q4 only F1Q to be reported |
| 390. | | PwC | | TP – F1 & F1Q- General | This template should be updated once the Level 2 measures are clear to reflect the Counter-Cyclical Premium and Matching Premium. | | Agree: But only new information will be consultated |
| 392. | | Royal London Group | | TP – F1 & F1Q- General | We welocme the simplifications that have been made to this template.  TP-F1 has to be disclosed for RFFs.  It is not clear whether a total form has to be produced as well.  Would seem sensible for reconciliation purposes as other templates are not broken down in the same fashion. | | Noted |
| 394. | | The Directorate General Statistics (DG-S) of the E | | TP – F1 & F1Q- General | 4. The breakdown of technical provisions by type is very useful (including technical provisions for index-linked and unit-linked). However, there is no specific breakdown yet foreseen for technical provisions related to standardised guarantees (“guarantees that are issued in large numbers, usually for fairly small amounts, along identical lines”). Depending on the relevance of this business for non-life insures, the inclusion of this breakdown would be useful for statistical purposes. In addition, under the breakdowns of life business, it would also be important to have an “of which” item with pension plans qualifying as social insurance (the ones where an employer makes an actual or imputed contribution on behalf of the employee).  Alternatively, a specific breakdown focusing on pension entitlements through life insurance contracts, split up into defined contribution/ defined benefit/ and hybrid schemes could be provided. Such a reporting would be of high importance in countries where a large fraction of the pension reserves of households are managed through life insurance contracts.  Regarding the issue of geographical breakdown for technical provisions, this information could be partially derived from this template as it comprises a breakdown of technical provisions by country, if this information cannot be derived from templates BS-C1 or K1. However, it is based on criteria which are not compliant with the statistical needs of the ECB/ESCB since the country reported is the one of the localization of the risk and not the country of underwriting. Besides, only the gross best estimate part of the technical provisions is thus split up.  The ECB attaches highest importance to quarterly information. | | Noted but not accepted |
| 396. | | ING Group Data modelling team | | TP – F1- cell A7A | Must the split for accepted reinsurance be regarded as part of the LOB? | | Yes |
| 397. | | PwC | | TP – F1- cell A7A | It should be clarified whether this value should be gross or net of reinsurance. | | Should be net. Clarified in LOG |
| 399. | | ING Group Data modelling team | | TP – F1- cell A7B | Must the split for accepted reinsurance be regarded as part of the LOB? | | Yes |
| 401. | | ING Group Data modelling team | | TP – F1- cell A7C | Must the split for accepted reinsurance be regarded as part of the LOB? | | Yes |
| 402. | | Association of British Insurers (ABI) | | TP – F1- cell BB13 | Should cells BA13 and BB13 be merged into one cell as has been done for BA7? | | Agree: Changed in template |
| 403. | | CFO Forum & CRO Forum | | TP – F1- cell BB13 | Should cells BA13 and BB13 be merged into one cell as has been done for BA7 ? | | Agree: Changed in template |
| 404. | | German Insurance Association (GDV) | | TP – F1- cells A1 – A14 | This comment applies to TP – F1 cells A1 – A14.  It should be clarified in the definition whether this value should be gross or net of reinsurance. If it is gross of reinsurance then it is unclear how the reinsurance element is included for derivation of net provisions, we therefore assume it is net of reinsurance.  Further clarification needed:   Technical Provisions Calculated as a Whole: We assume that net provisions (gross provisions minus reinsurance) should be reported.   Profit Participation: We assume that a profit participation of reinsurance should not be considered here, but instead only the discretionary participation features of primary insurance should be reported. | | Should be net. Clarified in LOG  Agree: Should be net. Clarified in LOG  Don´t understand comment |
| 405. | | RSA Insurance Group plc | | TP – F1- cells A1 – A14 | The LOG entry for A14-Q14 refers to cell F9 agreeing to BS-C1. We believe this should be cell F14, not F9.  Also, the formulae on the face of the form for cells F10 and F11 are identical – we believe F11’s formula is incorrect. | | Agree: Changed in LOG  Agree: Changed in Template and LOG |
| 406. | | The Phoenix Group | | TP – F1- cells A1 – A14 | ‘Index-linked and unit-linked insurance’ – Can further clarification be provided as to the definition of this field. Does this mean all index-linked, or index-linked within unit-linked funds? | | Noted- clarification in L2 and further GL on TP |
| 407. | | AMICE | | TP – F1- cells B1 – B14 | Are these cells ( i.e Gross Best Estimate) the sum of “future guaranteed benefits” (BA1) and “future discretionary benefits” (BB1). If this is the case, these cells should change of colour. | | No sum. additional information |
| 408. | | Association of British Insurers (ABI) | | TP – F1- cells B1 – B14 | In the Log, under ‘Cell Number’, there are 8 references to cells beginning with ‘GB’, e.g. GB3, GB5, GB11. In fact there are no cells in the template matching these references. Please amend to the correct cell references. | | Agree: changed in LOG |
| 409. | | CFO Forum & CRO Forum | | TP – F1- cells B1 – B14 | In the Log, under ‘Cell Number’ , there are 8 references to cells beginning with ‘GB’, eg GB3, GB5, GB11. In fact there are no cells in the template matching these references. Please amend to the correct cell references. | | Agree: changed in LOG |
| 410. | | German Insurance Association (GDV) | | TP – F1- cells B1 – B14 | This comment applies to TP – F1 – cells B1 – B1F.  We question the benefit of splitting between “cash out” and “cash in” flows. We recognise that there is a need to perform this split in the modelling of the reserves; however it is unclear why these splits should be reported in the proposed template.  BELs are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the best estimate liabilities, due to differences in averaging.  A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. It should be sufficient to report the gross best estimate total instead of per “cash in-flow” and “cash out-flow” for businesses modelled using simplifications. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient.  Further clarification required:   If the undertaking pays policyholder taxes, should this be included in claims?   The exact definition of “guaranteed benefits” for participating business is still unclear; it would be particularly difficult to separately evaluate the profit participation based on modelled returns over minimum guaranteed returns.   Clarification on “other cash flows” is necessary.   A clear definition of options and guarantees in health insurance contracts is needed. For example, are deferred benefits or the possibility to change the insurer options?   Further explanation of surrender value is needed. For example, it is unclear how to deal with the transferable ageing reserve?   More guidance regarding the definition of cash flows (e.g. discretionary benefits, costs, gross or net positions) are needed | | Disagree – Need to follow up this information on BE  See information in forthcoming Actuarial guideline on use of simplifications  Noted  See information in L2    Added changes in LOG  See information in L2  See information in L2 |
| 411. | | The Phoenix Group | | TP – F1- cells B1 – B14 | ‘Contracts with options and guarantees’ – Can further clarification be provided as to the definition of this field.  A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. It should be sufficient to report the gross best estimate total instead of per “cash in-flow” and “cash out-flow” for businesses modelled using simplifications. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient.  Clarification on “other cash flows” is necessary. | | See information in L2  Noted    Clarification added in LOG |
| 412. | | FEE | | TP – F1- cells BA1 – BA13 | This template requires a separation between guaranteed and discretionary benefits. Template TP-F2 requires the annual cash flows from future benefits in total. In order to demonstrate a “proof of control”, if from detail to summary, a consistent format would be used. In TP-F2, the separation between guaranteed and discretionary benefits would be appropriate. The undertaking should generate these figures anyway in order to prepare the information requested in TP-F1. Although we realize that TP-F2 has a different purpose (liquidity disclosure) than TP-F1, we would welcome a visible reference trail between TP-F1 and TP-F2 by presenting the building blocks Best Estimate Cash flows and discounting separately in TP-F1. | | Noted |
| 413. | | Federation of Finnish Financial Services | | TP – F1- cells BC1 – BC13 | Because of the definition of line BD this line has overlapping with line BD cash flows: with the additional resulting We question the usefulness of split in lines BC-BF and propose the requirements would be deleted. Wouldn’t the future cash flows in template TP – F2 give even better information.  Do the outward reinsurance premiums belong to here? | | Noted but comment not clear  Disagree – Not the same information |
| 414. | | German Insurance Association (GDV) | | TP – F1- cells BC1 – BC13 | We believe that the definition used in the LOG to describe row BD, this row now overlaps with the cash flows in row BD. For example, with the additional resulting cash flows from the future premiums, expenses of the policies which would lapse without future premiums, difference of the expenses of active and paid-up policies and commissions.  We question the usefulness of split in lines BC-BF and question why the future cash flows in template TP – F2 are not sufficient. | | Noted but comment not clear  Disagree: Not for same purpose |
| 415. | | RSA Insurance Group plc | | TP – F1- cells BC1 – BC13 | We think that splitting gross Best Estimate into cash in and out flows in the main part of this form, rather than providing it as “additional information” as in E1, makes the form look rather messy. We suggest either removing this split or at least moving it. | | Partly agree – Moved Cash flow to additional information |
| 416. | | Federation of Finnish Financial Services | | TP – F1- cells BD1 – BD13 | Including the additional resulting cash flows from the future premiums this line seem to be EPIFP without the restrictions to positive HRG’s.  As mentioned in comments to line BC and BF this line has overlap with them. If the overlap is removed and only the future premiums are reported then this kind of information leaves it open the real impact of the future premiums.  We question the usefulness of split in lines BC-BF and propose the requirements would be deleted. Wouldn’t the future cash flows in template TP – F2 give even better information. | | Same answer as 414 |
| 417. | | Federation of Finnish Financial Services | | TP – F1- cells BF1 – BF13 | Because of the definition of line BD this line has overlapping with line BD cash flows: with the additional resulting cash flows from the future premiums, e.g commissions from the unit-linked business.  We question the usefulness of split in lines BC-BF and propose the requirements would be deleted. Wouldn’t the future cash flows in template TP – F2 give even better information. | | Noted but comment not clear  Disagree: Not for same purpose |
| 418. | | RSA Insurance Group plc | | TP – F1- cells BF1 – BF13 | We think that splitting gross Best Estimate into cash in and out flows in the main part of this form, rather than providing it as “additional information” as in E1, makes the form look rather messy. We suggest either removing this split or at least moving it. | | Agree: changed information to be in additional information |
| 419. | | German Insurance Association (GDV) | | TP – F1- cells C1 – C14A | Please refer to TP - F1- cells CB1 – CB14A. | |  |
| 420. | | Association of British Insurers (ABI) | | TP – F1- cells CB1 – CB14A | Why isn’t CB9 a formula (= Sum (CB1:CB7)?  Why isn’t CB14 a formula (= Sum (CB10:CB13)? | | Agree: Changed to be a formula in template |
| 421. | | CFO Forum & CRO Forum | | TP – F1- cells CB1 – CB14A | Why isn’t CB9 a formula (= Sum(CB1:CB7)?  Why isn’t CB14 a formula (= Sum(CB10:CB13)? | | Agree: Changed to be a formula in template |
| 422. | | Federation of Finnish Financial Services | | TP – F1- cells CB1 – CB14A | CB9, CB14 should be formulas? | | Agree: Changed to be a formula in template |
| 423. | | German Insurance Association (GDV) | | TP – F1- cells CB1 – CB14A | The required breakdown of the technical provisions is often too granular and full compliance will be highly expensive, without yielding any benefits to the undertaking. In practice, the required break down of the technical provisions prescribes a valuation approach, in particular in terms of data granularity and segmentation at which valuation is performed, which is often in conflict with standard industry practices.  At the minimum a breakdown should be limited to line of business and gross best estimates, since everything else will be highly impractical. For instance a further breakdown of risk margins and potential losses from counterparty default is contrary to the idea that these are portfolio level items, where a breakdown to line of business does not yield additional information.  The reinsurance recoverables should not be reported on such granular level as it is burdensome to provide all these data and the need for this granular level is not clear to us.  A reporting of the reinsurance part within the prescribed calculation is burdensome, to our opinion it should be sufficient to provide reinsurance recoverables not more granular than on LoB-level. As MCEV models produce values net of reinsurance, it should be possible to provide net figures (in the granularity of TP-F1) and obtain the less granular gross values by adding the reinsurance part, instead of vice versa, where the gross is required to be reported very granular and the net is less granular.  This comment also applies to cells CC1-CC14, CD1-CD14A and C1-C14A of TP-F1. | | Disagree: this information is needed to follow upon BE and items stated in L1  Noted  Noted  Noted, undertaking should be able to produce SII reporting also. |
| 424. | | Association of British Insurers (ABI) | | TP – F1- cells CC1 – CC14 | Why isn’t CC9 a formula (= Sum (CC1:CC7)?  Why isn’t CC14 a formula (= Sum (CC10:CC13)?  The Definition in the Log finish with the words ‘special purpose’. They are not part of any sentence and should be removed. | | Agree: Changed to be a formula in template  Agree: removed in LOG |
| 425. | | CFO Forum & CRO Forum | | TP – F1- cells CC1 – CC14 | Why isn’t CC9 a formula (= Sum(CC1:CC7)?  Why isn’t CC14 a formula (= Sum(CC10:CC13)?  The Definition in the Log finish with the words ‘special purpose’. They are not part of any sentence and should be removed. | | Agree: Changed to be a formula in template  Agree: removed in LOG |
| 426. | | Federation of Finnish Financial Services | | TP – F1- cells CC1 – CC14 | CC9, CC14 should be formulas? | | Agree: Changed to be a formula in template |
| 427. | | German Insurance Association (GDV) | | TP – F1- cells CC1 – CC14 | Please refer to TP - F1- cells CB1 – CB14A. | |  |
| 428. | | Association of British Insurers (ABI) | | TP – F1- cells CD1 – CD14A | Why isn’t CD9 a formula (= Sum (CD1:CD7)?  Why isn’t CD14 a formula (= Sum (CD10:CD13)? | | Agree: Changed to be a formula in template |
| 429. | | CFO Forum & CRO Forum | | TP – F1- cells CD1 – CD14A | Why isn’t CD9 a formula (= Sum(CD1:CD7)?  Why isn’t CD14 a formula (= Sum(CD10:CD13)? | | Agree: Changed to be a formula in template |
| 430. | | Federation of Finnish Financial Services | | TP – F1- cells CD1 – CD14A | CD9, CD14 should be formulas? | | Agree: Changed to be a formula in template |
| 431. | | German Insurance Association (GDV) | | TP – F1- cells CD1 – CD14A | Please refer to TP - F1- cells CB1 – CB14A. | |  |
| 432. | | Federation of Finnish Financial Services | | TP – F1- cells E1 – E13 | E10: something wrong in formulas F10 and F11, FB10 and FB11? | | Agree: changed in Template and LOG |
| 433. | | German Insurance Association (GDV) | | TP – F1- cells E1 – E13 | It has been agreed that the risk margin should be calculated once allowing for diversification; there is no reason to then split by LOB. Reporting the risk margin per LOB will be complicated and will require a significant effort; this adds complexity for the purpose of supervisory reporting only.  We acknowledge that the current L2 Measures could be interpreted as specifying that technical provisions should be calculated by LOB. However, we should keep in mind that if the risk margin should be allocated by LOB it will be using proxies (e.g. during the QIS 5 exercise undertakings allocated their risk margin proportionally to the Best Estimate). To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin.  The allocation of the risk margin would be meaningless for reporting purposes. | | Disagree: The allocation of the risk margin to the line of business is required by (draft) L2. ( See Article 33.)  Disagree |
| 435. | | The Phoenix Group | | TP – F1- cells FB7A | Are these cells applicable if you are not providing ‘Technical Provisions as a whole’ values? | | Yes, otherwise filled in F7A |
| 437. | | The Phoenix Group | | TP – F1- cells FB7B | Are these cells applicable if you are not providing ‘Technical Provisions as a whole’ values? | | Yes, otherwise filled in F7B |
| 439. | | The Phoenix Group | | TP – F1- cells FB7C | Are these cells applicable if you are not providing ‘Technical Provisions as a whole’ values? | | Yes, otherwise filled in F7C |
| 440. | | Association of British Insurers (ABI) | | TP – F1- cells IA1 – IA 13 | Why are we showing Technical Provisions for products with a surrender option when the row that showed the actual surrender values has been removed?  The purpose of this row is given as enabling comparison with the surrender values. Clearly this cannot be achieved without the corresponding Surrender Values. | | Partially agree: Changed to be reported on Best Estimate. This should give information on how much of BE that have surrender option in it |
| 441. | | Deloitte Touche Tohmatsu | | TP – F1- cells IA1 – IA 13 | In some jurisdictions further clarification with regard to the definition of the surrender value specific for SLT Health Insurance contracts would be helpful. For example, more guidance is required whether the transferrable – to another health insurance company / product in case of surrender - technical provision (in German: “mitgabefähige Alterungsrückstellung”) represents the surrender value or can be used as the approximation. | | Noted, if national specific it’s not possible to have definition in the LOG |
| 442. | | Federation of Finnish Financial Services | | TP – F1- cells IA1 – IA 13 | If TP is compared with the surrender values where the surrender values are reported? | | This row should show how much of TP belonging to Surrender value |
| 443. | | German Insurance Association (GDV) | | TP – F1- cells IA1 – IA 13 | The previous template had an additional row for the surrender value, this has been removed however our previous comment still stands as it also applies to “technical provisions of products with a surrender option”.  Reporting separately on products with surrender options would require significant effort in amending systems and processes to report the data requested. The template specifies “technical provisions of products with a surrender option”, this insinuates that the risk margin be split at product level in order to report on this requirement.  A surrender value floor should not be applied to the valuation of technical provisions. We believe that a statement of the proportion of contracts with surrender options in relation to the technical provision would provide more meaningful information.  Further clarification required:   Does the definition of “surrender option” apply only to contracts where a non-zero surrender value is available?  Significant effort will be required to amend systems and processes in order to support reporting of the data requested. The template specifies “technical provisions of products with a surrender option”, this insinuates that the risk margin be split at product level in order to report on this requirement.  The allocation of the risk margin would be meaningless for reporting purposes.  As a second best solution we would prefer to report only the “best estimate for products with a surrender option”. | | Changed in LOG  Noted: Changed to be on Best Estimate instead  Disagree – Data for this information will give more decisive answer than a statement.  Yes  Noted: Changed to be on Best Estimate instead  Noted  Agree: Changed to be on Best Estimate instead |
| 444. | | Groupe Consultatif | | TP – F1- cells IA1 – IA 13 | A definition of products with a surrender option should be provided. E.g. for term assurance a policyholder could surrender but no surrender payment would be made. Does this product have a surrender option? If a surrender value is required does it just have to be greater than zero? | | This information only focus on to see how much of TP that have products with surrender option. Not the value of surrender option |
| 445. | | Royal London Group | | TP – F1- cells IA1 – IA 13 | This row requires us to provide technical provisions for contracts with a surrender option.  However, there is now nothing to compare this against as the requirement to disclose the surrender value in force at the valuation date has been removed from this form as relocated to TP-F3.  Line IA should also be removed.  Alternatively, update to BEL rather than risk margin. | | Partially agree: Changed to be on Best Estimate instead |
| 446. | | The Phoenix Group | | TP – F1- cells IA1 – IA 13 | ‘Technical Provisions of contracts with a surrender option’ - Does this definition mean any surrender option, or only policies with a guaranteed surrender option? | | Only policies with guaranteed |
| 447. | | CFO Forum & CRO Forum | | TP – F1- cells J1 – JL13 | According to LOG of Template TP L-F1 (Cell Number J1 – J13), the amount of gross BE for different countries depends on “risk underwritten”, i.e. localization of risk (cf. also LOG of Template Cover A1A, I7-I11). Even though there is a materiality threshold, this does not address the following issue: The business split according to countries, where the risk is located, is - for some business – not applicable, e.g. for Life Reinsurance: Due to the fact, that worldwide coverage is provided and that sometimes risks located in different countries are reinsured under one treaty, local loss events (e.g. Tsunami in Thailand or catastrophe of the funicular in Kaprun) affect risks located in different countries and treaties underwritten in different countries. Hence the proposed split is neither feasible nor useful. | | Agree: Changed in LOG to only report on direct business |
| 448. | | German Insurance Association (GDV) | | TP – F1- cells J1 – JL13 | According to LOG of Template TP L-F1 (Cell Number  J1 – J13), the amount of gross BE for different countries depends on “risk underwritten”, i.e. localization of risk (cf. also LOG of Template Cover A1A, I7-I11). Even though there is a materiality threshold, this does not address the following issue:  The business split according to countries, where the risk is located, is - for some business – not applicable, e.g. for Life Reinsurance: Due to the fact, that worldwide coverage is provided and that sometimes risks located in different countries are reinsured under one treaty, local loss events (e.g. Tsunami in Thailand or catastrophe of the funicular in Kaprun) affect risks located in different countries and treaties underwritten in different countries. Hence the proposed split is neither feasible nor useful. | | Agree: Changed in LOG to only report on direct business |
| 449. | | RSA Insurance Group plc | | TP – F1- cells J1 – JL13 | This analysis of the gross best estimate based on localisation of risk is too granular. Some member states currently ask for a grouping of locations instead, resulting in more simplified reporting. | | Disagree: Need to follow up on foreign risk for BE and some threshold allowed |
| 450. | | AMICE | | TP – F1- cells M1-M13 | The purpose of the template is to know whether undertaking used simplified methods and techniques to calculate technical provisions (in line with the proportionality principle). In our view, this information should be provided in the narrative reporting. | | Partially agree: The narrative part to be reported in RTS instead |
| 451. | | Association of British Insurers (ABI) | | TP – F1- cells M1-M13 | The log says that the definition of simplified Methods is still under development as part of L2. However, we need to be making some meaningful progress regarding this and hence an indication of current thinking would be useful.  For example, it would be useful to know whether the Simplifications that have to be notified are those listed within ‘Articles 47’ to ‘Article 50quater’ of the Draft Implementing Measures Solvency II, dated 31 October 2011. | | Partially agree: The narrative part to be reported in RTS instead |
| 452. | | German Insurance Association (GDV) | | TP – F1- cells M1-M13 | The format of these cells does not appear to allow for the description of more than one simplified method, while the percentages included in O1-O12 would include the impacts of additional areas where simplified methods are used. There is the potential for misinterpretation of the results.  Further clarification required:   The definition of allowable “simplified methods” are still under development in the context of the draft Level 2 text – note that there should be no pre-defined set of simplified methods. An undertaking should be able to use any method, as long as it has been approved by the supervisor. | | Partially agree: The narrative part to be reported in RTS instead  Noted |
| 453. | | Royal London Group | | TP – F1- cells M1-M13 | Where simplifications are used to produce a BEL (e.g. mainly manual reserves or for small lines of business).  How should these be disclosed? | | The narrative part to be reported in RTS instead |
| 454. | | The Phoenix Group | | TP – F1- cells M1-M13 | The definition of allowable “simplified methods” is still under development in the context of Level 2 – note that there should be no pre-defined set of simplified methods. An undertaking should be able to use any method, as long as it has been approved by the supervisor. | | Noted |
| 455. | | AMICE | | TP – F1- cells N1-N13 | The purpose of this template is to understand to which extent simplified methods are used. This information requested only for solo level and not for groups. In our view, this information should be provided in the narrative reporting. | | Partially agree: The narrative part to be reported in RTS instead |
| 456. | | RSA Insurance Group plc | | TP – F1- cells N1-N13 | It is not clear how this this cell is to be completed out if simplified methods are used for more than one homogeneous risk group within a particular LoB. In practice, the use of a drop-down box will simply not work. We instead recommend leaving a valuation box (e.g. row O1-O13 only) here rather than trying to ascribe the simplification to one item.  The LOG is incorrect: it needs to split “Risk Margin” into a fifth option and “Other” into a sixth. | | Partially agree: The narrative part to be reported in RTS instead |
| 457. | | AMICE | | TP – F1- cells O1-O13 |  | |  |
| 458. | | Association of British Insurers (ABI) | | TP – F1- cells O1-O13 | Please can we be clear about what the denominator should be.  E.g. for O1 are we expressing the Technical Provision (TP) calculated using simplified methods as a percentage of the Gross TP for ‘Insurance with profit participation’ (B1) or as a percentage of total Gross TP for the entity as a whole? | | Information deleted from template. To be explained in narrative report instead. |
| 459. | | Association of British Insurers (ABI) | | TP – F1- cells P1-P13 | The log requires ‘claims paid’. This should be on n accruals basis as recorded for accounts and not on a cash basis as implied by the word ‘paid’. | | Partially agree: Changed in LOG |
| 460. | | Federation of Finnish Financial Services | | TP – F1- cells P1-P13 | What should be reported, paid claims and from which period or the net present value? | | Partially agree: Changed in LOG |
| 461. | | German Insurance Association (GDV) | | TP – F1- cells P1-P13 | The LOG definition for this row now refers to “total amount of surrenders”, it previously referred to TPs calculated by LOB.  Clarification needed what reporting period is anticipated and if both surrenders and transfers should be included in the amount.  We query if the total amount of surrenders refer to actual surrenders or surrenders from the modeling of BE? | | The same reporting period. Surrenders and transfers reported together |
| 462. | | Groupe Consultatif | | TP – F1- cells P1-P13 | It is not clear what should be included here. Surrender claim payments in the reporting period (as per LOG definition for cell)? Or the amount that would be paid out if all policies surrendered (as per general comment in LOG under purpose)? Or something else? Is this duplication of cell A26 in template F3? | | This cell moved from F3 and A26 as this information was more difficult to receive on product basis than on LoB. Clarification added in LOG |
| 463. | | Royal London Group | | TP – F1- cells P1-P13 | The log requires ‘claims paid’. This should be on an accruals basis as recorded for accounts and not on a cash basis as implied by the word ‘paid’. | | Partially agree: Changed in LOG |
| 464. | | The Phoenix Group | | TP – F1- cells P1-P13 | The field “Technical Provisions of Products with a Surrender Option” in the TP-F1 QRT for Accepted Reinsurance business is greyed out as a surrender value is not relevant for this line of business. However, the field “Total Amount of Surrenders” for the same line of business in not greyed out implying a value is required. Please clarify whether both fields should be greyed-out as not required? | | Only accepted reinsurance not valid. Not included in total. |
| 465. | | AMICE | | TP – F1- cells Q1-Q13 |  | |  |
| 466. | | Crédit Agricole Assurances | | TP – F1- cells Q1-Q13 | What kind of complementary information shall be requested? | | This row only here to give information on probably new L2 data |
| 467. | | German Insurance Association (GDV) | | TP – F1- cells Q1-Q13 | Additional information cannot be summarised, unless specified as amounts. | | This row only here to give information on probably new L2 data |
| 468. | | ING Group Data modelling team | | TP – F1- cells Q1-Q13 | Additional information cannot be summarised, unless specified as amounts | | Noted |
| 469. | | RSA Insurance Group plc | | TP – F1- cells Q1-Q13 | We presume the only requirements here will be contained in the Level 2 text and that there will be no further requirements imposed. If this is not correct, undertakings should be informed as soon as possible of what is intended to be sought, regardless of the Level 2 text (although this would have to be evaluated for reasonableness), so that they may be able to plan accordingly. | | Yes, If new information this will be in an additional consultation when L2 public |
| 470. | | CFO Forum & CRO Forum | | TP – F1Q- cell E1-E13 |  | |  |
| 471. | | German Insurance Association (GDV) | | TP – F1Q- cell E1-E13 | We would propose to merge all cells related to the risk margin. To split these, for reporting purposes only, will be unduly burdensome. | | Disagree: Need information on Risk margin on LoB |
| 472. | | Federation of Finnish Financial Services | | TP – F2- cells C1 – C35 | This overlaps with column D. | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 473. | | CEA | | TP – F2- Costs | We query whether undertakings would be forced to annualise projections if they were currently done on a monthly basis. IT systems would have to be redesigned if is the case.  Changing to cash flow based approach will be costly and require considerable amounts of resources, therefore the proposed requirements should be applied in a proportionate manner. | | Only on year basis  Noted |
| 474. | | Federation of Finnish Financial Services | | TP – F2- Costs | Non-life: So far the actuarial methods have been sufficient for reserve levels and worked very well. Changing to cash flow based approach requires considerable amounts of resources. | | Need to follow up on cash flows and for long period |
| 475. | | German Insurance Association (GDV) | | TP – F2- Costs | We query whether undertakings would be forced to annualise projections if they were currently done on a monthly basis. IT systems would have to be redesigned if is the case.  Changing to cash flow based approach will be costly and require a considerable amounts of resources. | | Only on year basis  Noted |
| 476. | | CEA | | TP – F2- Disclosure | We support EIOPA’s decision not to disclose information on cash flows. This is commercially sensitive information. | | Noted |
| 477. | | German Insurance Association (GDV) | | TP – F2- Disclosure | We support EIOPA’s decision not to disclose information on cash flows. This is commercially sensitive information. | | Noted |
| 478. | | The Phoenix Group | | TP – F2- Disclosure | We support EIOPA’s decision not to disclose information on cash flows. This is commercially sensitive information. | | Noted |
| 479. | | The Directorate General Statistics (DG-S) of the E | | TP – F2- Frequency | Please refer to BS-C1 – Frequency | | Noted |
| 480. | | AMICE | | TP – F2- General | This template aims at giving an overall idea of the duration of liabilities when calculating the Best Estimate gross of reinsurance. However, the requirement to split cash-in and cash-out flows is not possible for accepted reinsurance. Detailed information on the cashflows can only reported for direct insurance business.  We welcome that the amounts recoverable from reinsurance and special purpose vehicles can now be calculated at an aggregated level. However, we would like to remind EIOPA that the cash-flow items from reinsurance recoverable are not always known. The recoverables should therefore be reported net of the adjustment for counterparty default risk. | | Disagree: Keep split also for accepted reinsurance  Agree: Change to be after adjustment |
| 481. | | Association of British Insurers (ABI) | | TP – F2- General | We expect the whole of this template will be burdensome to complete, beyond the benefit of such extra work.  If the template is required, we would like the optionality to define the scenario. | | Noted  Undertakings should use for reporting the scenarios used for calculating |
| 482. | | CEA | | TP – F2- General | We would like to reiterate our comment that detailed data on “in and out” cash flows cannot be reported for contracts modelled without using cash-flows projections.  It must be stressed that this template obliges undertakings to run complex calculations therefore a generous adaptation period would be welcomed.  This template raises some concerns for non-life undertakings that would have to report information on Health SLT and annuities in this template. It is normal in non-life undertakings to estimate total reserve levels. The approach used in this template would overhaul that general principle and would require drastic changes to methods currently used.  We believe that this template, along with the cash-inflows and out-flows in TP – F1, amounts to quite burdensome reporting. It should be possible to reduce the level of detail in TP – F1 or only report this template if the supervisor determines that a closer level of supervision is required, for example if an undertaking breaches certain limits. | | For undertakings using simplifications the obligation to report future expected cash-flows was kept for reporting purpose only in case of a material part of TP (more than 10%) has a long settlement period, while undertakings will be allowed to exclude from template E2 and F2 the cash-flows related to TP with a short settlement period (less than 24 months).  Noted  Partly agree: but earlier decided to have annuities and health in F1 than to have in both, or in non life (E2)  Disagree: not the same information for cash flow in F1 and F2 |
| 483. | | CFO Forum & CRO Forum | | TP – F2- General | We expect the whole of this template will be burdensome to complete, beyond the benefit of such extra work.  If the template is required, we would like the optionality to define the scenario. | | Noted  Undertakings should use for reporting the scenarios used for calculating |
| 484. | | Deloitte Touche Tohmatsu | | TP – F2- General | In order to reflect the specific characteristics of the private health insurance contracts in some jurisdictions we suggest the development of individual QRTs for the health insurance .  Further guidance required with regard to the definition of Lines of Business (LoBs) for Health Insurance products in some jurisdictions: clarification is required with regard to the explicit (mutual exclusiv) allocation of the Heath products between SLT and Non-SLT Health Insurance Lines of Business (LoBs). | | Disagree: No new development of QRTs  The comment are unclear |
| 485. | | Federation of Finnish Financial Services | | TP – F2- General | Normal reserving method in non-life companies estimate total reserve levels. This approach would overhaul that general principle and would require drastic changes to methods currently used.  This sheet might be of use for the supervisor if more close supervision is needed, e.g. if a company breaches some limits.  The sign notation has not been properly specified in the templates. It would be easier e.g. for checking purposes to specify  + into the undertaking and  – from the undertaking. | | Noted  Disagree: Need to follow upon the cash flow  Disagree: need to have split to see differences |
| 486. | | FEE | | TP – F2- General | TP-F2-general (Worksheets TP – E2 and TP – F2: Projection of future cash flows (Best Estimate - Non Life and Life)  The requirement to report the projected Best Estimates of future cash flows divided into lines of business for both life and non-life business poses a great computational burden to an insurance company. Despite the fact that the projection of future cash flows is used as basis for the calculation of technical provisions the projection tools usually do not deliver the required information as asked for in the QRT. Consequently, we recommend assessing the burden of this information request. | | Disagree: Need to follow upon the cash flow |
| 487. | | German Insurance Association (GDV) | | TP – F2- General | It should be clarified whether the cash flows are gross or net of reinsurance and also on the methodology anticipated for example, deterministic scenario, mean of the stochastic scenario etc.  We would like to reiterate our comment that detailed data on “in and out” cash flows cannot be reported for contracts modelled without using cash-flows projections.  It must be stressed that this template obliges undertakings to run complex calculations therefore a generous adaptation period would be welcomed.  This template raises some concerns for non-life undertakings who would have to report information on Health SLT and annuities in this template. It is normal in non-life undertakings to estimate estimate total reserve levels. The approach used in this template would overhaul that general principle and would require drastic changes to methods currently used.  We believe that this template, along with the cash-inflows and out-flows in TP – F1, amounts to quite burdensome reporting. It should be possible to reduce the level of detail in TP – F1 or only report this template if the supervisor determines that a closer level of supervision is required, for example if an undertaking breaches certain limits.  Further clarification required:   The technical provisions are determined stochastistically, i.e. they contain the value of options and guarantees. But the cashflows in F2 only make sense deterministically. | | Gross of reinsurance  Noted  See also comment 482.  Noted  Partly agree: but already decided to have annuities and health in F1 than to have in both, or in non life (E2)  Disagree: not the same information for cash flow in F1 and F2  Noted (See comment in E2 for this) |
| 488. | | ING Group Data modelling team | | TP – F2- General | Are Life and Health both included in the Annuities stemming from Non-Life? | | Yes – no need to separate them here as no TP calculation |
| 489. | | KPMG | | TP – F2- General | The cashflow product split is not the same as the TP split. These cashflows may go to the TP worksheet as discounted values. The inconsistency in classification would make it very difficult to understand on what cashflows the discounted values are based. | | Noted |
| 490. | | PwC | | TP – F2- General | It should be clarified whether the cash flows are gross or net of reinsurance. | | Gross |
| 491. | | Royal London Group | | TP – F2- General | There is now a statement that the form does not have to reconcile with Tp-F1 and hence central scenarios can be used to populate the form.  This is a welcome simplification which we fully support.  There should be a clear indication whether “liabilities calculated as a whole” are to be included or excluded from the form. | | Noted  Should be excluded |
| 492. | | The Directorate General Statistics (DG-S) of the E | | TP – F2- General | 5. Please refer to TP - F1 & F1Q- General | |  |
| 493. | | The Phoenix Group | | TP – F2- General | It should be clarified whether the cash flows are gross or net of reinsurance and also on the methodology anticipated for example, deterministic scenario, mean of the stochastic scenario etc. | | Gross |
| 494. | | German Insurance Association (GDV) | | TP – F2- Groups | We welcome the decision of EIOPA to remove this requirement from group reporting. | | Noted |
| 495. | | Royal London Group | | TP – F2- Groups | We support the change to make this a solo only template | | Noted |
| 496. | | The Directorate General Statistics (DG-S) of the E | | TP – F2- Groups | Please refer to BS-C1 – Groups | |  |
| 497. | | CEA | | TP – F2- Materiality | The principle of materiality should be applied to this template. It is disproportionate to ask for all cash flows and this should be restricted to material cash flows only. If certain segments are to be reported in detail, there should be a threshold decided between the undertaking and the supervisor. | | Noted – Discussed but agree not to introduce threshold  Template is necessary to understand the value of best estimate. |
| 498. | | German Insurance Association (GDV) | | TP – F2- Materiality | The principle of materiality should be applied to this template. It is disproportionate to ask for all cash flows and this should be restricted to material cash flows only. If certain segments are to be reported in detail, there should be a threshold decided between the undertaking and the supervisor. | | Noted – Discussed but agree not to introduce threshold  See 497 |
| 499. | | Royal London Group | | TP – F2- Materiality | There is no materiality threshold to this form.  This is not helpful.  In excess of 95% of the cashflows will come from the models.  However, more time will be spent producing cashflows for the manual (or other out of model) reserves.  These will not have a material impact on the content of the form.  One can argue that we need cashflows to produce a BEL but we will probably use simplifications which would not necessarily result in cashflows being produced. | | Noted – Discussed but agree not to introduce threshold.  See 497 |
| 500. | | UNESPA – Association of Spanish Insurers | | TP – F2- Materiality | We propose a concrete materiality threshold, for instance products above 5% of BE/Premiums. | | Noted – Discussed but agree not to introduce threshold  See 497 |
| 501. | | AMICE | | TP – F2- Purpose | Overall, we understand the purpose of this template. However, the templatecreates problems for life business in some jurisdictions because Future  Discretionary Benefits (FDB) consists of both individual FDB and collective FDB.  The individual FDB is composed of buffers created by the differential between the guaranteed yield and the discount rate. These buffers are gradually transformed to guaranteed benefits during the lifetime of the policies and will eventually be paid out as benefits. Therefore, future cash flows associated with this type of buffers should be specified and included in the template.  The collective FDB contains investment gains which according to undertakings’ profit sharing rules has been distributed to police holders as a whole but not yet individualized. According to the profit sharing rules the collective FDB can fully absorb investment losses, distributed to policyholders’ accounts, etc. at any time. This renders a specification of future cash flows for the collective FDB meaningless and misleading. It would, therefore, not be correct to specify future cash flows for this part of the FDB.  Consequently, we suggest that the template is expanded with one row below the column headings where undertakings can insert buffers for which future cashflows cannot be projected, like collective FDB in some jurisdictions. | | Added in LOG that  if difficult to calculate this the undertaking should report the Cash flow it effectively uses for calculating the BE  The cash-flow projection used in calculation of technical provisions shall take account of all cash in- and out-flows regarding to settle the (re)insurance obligations over the lifetime thereof. When calculating technical provisions all payments to the policyholders and beneficiaries, including future discretionary bonuses, which (re)insurance undertaking expect to make, whether or not those payments are contractually guaranteed, unless those payments fall under Article 91(2) of Solvency II directive shall take account of.  Collective FDB could absorb investment losses but when calculating technical provisions they should be taken into account in the future cash-flow projection. Therefore expanding the template with one row below will not be an appropriate solution. |
| 502. | | CEA | | TP – F2- Purpose | Please refer to TP-F2-General. | |  |
| 503. | | CEA | | TP – F3- Benefits | We believe that the benefit to supervisors of requiring detailed systematic information on model points/HRGs, in comparison to the potential burden to industry, is excessive.  A qualitative analysis of the products to be included in particular HRGs would be an alternative way of performing this assessment. | | Noted  Disagree: decided to need quantitative information |
| 504. | | Federation of Finnish Financial Services | | TP – F3- Benefits | See the comment for the purpose.  Cost of benefits is not proper. This will require from the preparers lot of programming work. The runs of Pilar I measurements are already very heavy and this will load the runs further. The programming and run times and computer resources are already now the main restrictive factor, for many improvements of the processes. The time and resources used to this template can be ued much more resource effectively. | | Noted |
| 505. | | German Insurance Association (GDV) | | TP – F3- Benefits | We believe that the benefit to supervisors of requiring detailed systematic information on model points/HRGs, in comparison to the potential burden to industry, is excessive.  A qualitative analysis of the products to be included in particular HRGs would be an alternative way of performing this assessment. | | Noted  Disagree: quantitative will give better assessments of product information and to compare changes |
| 506. | | AMICE | | TP – F3- cell A1 | The majority of AMICE members classify all statutory information by commercial product. When calculating the best estimate, companies lose track of the commercial product as the models are risk driven and built around model points and homogeneous risks groups. The systems would have to be adapted to allow for stochastic calculations on a policy by policy basis and to produce best estimate results segmented by commercial product. | | Noted |
| 507. | | Association of British Insurers (ABI) | | TP – F3- cell A1 | It would appear from the Log that a single product could be included in several lines depending on its characteristics. This will be very onerous to do in practice and will lead to very detailed and extensive disclosures.  It is recommended that if product level information is required, that each product should be included in one line only. | | Noted - but Disagree on single line. This should not give the relevant information to analyse products |
| 508. | | Federation of Finnish Financial Services | | TP – F3- cell A1 | LOB is not mentioned in the list of different characters. There are hybrid products where the policyholder can choose the yield to be guaranteed or unit linked. | | Noted – Hybrid products added |
| 509. | | German Insurance Association (GDV) | | TP – F3- cell A1 | More guidance is required on “product denomination” and how granular the proposal will be in practice. The more granular the denomination is the more demanding it will be to complete the template.  In few cases, information was said to be available on a product basis but in the vast majority of cases, a split by product will be very difficult to achieve.  Difficulties may arise when using “commercial name” as this can often be subject to change.  The reporting of different guarantees with different risks and different commercialisation dates in single lines would, in some cases, result in more than 200 separate lines for single undertakings.  The LOG comment specifies that annuities stemming from non-life contracts are excluded however the definition for cell A1 states that for non-life annuities, it should be specified which product it belongs to. This seems to be inconsistent.  The LOB is not mentioned in the list of different characters. There are hybrid products where the policyholder can choose the yield to be guaranteed or unit linked.  Further clarification required:   In some cases, policies include both with-profits and unit-linked technical provisions. How should these policies be handled?   We interpret that a product can be repeated on more than one row because there are variations of HRG and or types of premiums (A7) within one product denomination. Is this correct? | | Agree: More information on how split up product added in LOG  Noted  Old name in brackets – see LOG  Noted  Noted – Product should be LoB as in F4  Agree. Added in LOG  Should be split  Yes, due to different characteristics |
| 510. | | PwC | | TP – F3- cell A1 | Further guidance on this is required what the process would be if an undertaink uses the commercial name for a product, which may change over time. | | Explained in LOG (use Brackets for old name) |
| 511. | | Royal London Group | | TP – F3- cell A1 | It would appear from the Log that a single product could be included in several lines depending on its charateristics. This will be very onerous to do in practice and will lead to very detailed and extensive disclosures.  It is recommended that if product level information is required, that each product should be included in one line only. | | Partly agree: Better clarified in LOG  Disagree: not all characteristics will be noted then |
| 512. | | The Phoenix Group | | TP – F3- cell A1 | Can some clarification be provided as to the level of information being requested here. Can products be grouped for reporting purposes?  More guidance is required on “product denomination” and how granular the proposal will be in practice. The more granular the denomination is the more demanding it will be to complete the template.  Although some information is available on a product basis, in the vast majority of cases, a split by product for the information requested will be very difficult to achieve.  Difficulties may arise when using “commercial name” as this can often be subject to change. | | Yes, with similar characteristics into HRG  Agree: clarified in LOG  Noted  Old name in brackets – see LOG |
| 513. | | German Insurance Association (GDV) | | TP – F3- cell A10 | Please refer to TP - F3- cell A9 for comments on insurance contracts under IFRS.  The implication currently is that a new policy insuring a life already covered under an existing policy would count as zero in this column. This would be logistically difficult for many companies.  Further clarification required:   How should policies with periods of less than a year be included? | | Noted  Noted  Should be included |
| 514. | | Association of British Insurers (ABI) | | TP – F3- cell A15 | We require clarification on what ‘premiums due’ means. Is this referring to the accounting data or the actuarial data?  In the Log the definition refers to TP (NL) E5. However, this isn’t a TP (NL) E5. Please remove or correct this reference.  Also, in the Log the purpose refers to the evolution of claims. However, claims information has been removed. Please remove the reference to claims. | | Agree: Changed in Log as “due” could be misinterpret  Agree: Definition changed  Agree: deleted |
| 515. | | CFO Forum & CRO Forum | | TP – F3- cell A15 | We require clarification on what ‘premiums due’ means. Is this referring to the accounting data or the actuarial data ?  In the Log the definition refers to TP (NL) E5. However, this isn’t a TP (NL) E5. Please remove or correct this reference.  Also, in the Log the purpose refers to the evolution of claims. However, claims information has been removed. Please remove the reference to claims. | | Changed in LOG as due could be misinterpret  Definition changed  Agree: deleted |
| 516. | | Danish Insurance Association | | TP – F3- cell A15 | The log refers to “Same definition as TP (NL)-E5.” however that template has been removed in this version of the QRTs | | Definition changed |
| 517. | | Deloitte Touche Tohmatsu | | TP – F3- cell A15 | Depending on the level of granularity required in this template and the current statutory requirements for each jurisdiction it might not be straightforward to supply the required premium information, resulting in additional, possibly significant, costs for implementing these changes. In how far is it possible to use the amount under local GAAP resp. IFRS as an approximation for “written premiums”? -> Explicit guidance resp. reference to relevant definiton in the Directive, QIS, L2 is necessary. | | Should be done in best possible way but no perfect reconciliation with other templates needed |
| 518. | | German Insurance Association (GDV) | | TP – F3- cell A15 | Please refer to TP - F3- cell A9 for comments on insurance contracts under IFRS.  Further clarification required:   Clarification would be helpful on whether single premiums are reported as the actual amount paid or as a percentage of premiums e.g. 10%?   The purpose of this cell is to assess movements in contract amounts and compare (reconcile?) with the evolution in technical provisions. Is this possible if no information is held on about transfers of contracts together with assets/provisions from other undertakings? | | Clarified in LOG -For single premiums actual amount paid  Noted |
| 519. | | Royal London Group | | TP – F3- cell A15 | The definition of premiums should be that premiums are recognised in this cell on the same basis as they are included in the technical provisions (ie on an accruals basis). | | Agree: clarified in LOG? |
| 520. | | Crédit Agricole Assurances | | TP – F3- cell A21 | We have originally understood that there is a breakdown of the products by HRG in order to judge the quality of modelling, in the previous Field Tests. In the new Field Tests, it appears that there can be some HRG by products. This template also provide grouping of the Best Estimates by products on different HRG. Therefore, what is the relevance of the analysis by HRG which is required in the template? Can we still appreciate the quality of modelling thanks to this template? | | If products have similar characteristics they can be put together and not needed to be on different lines. |
| 521. | | Czech Insurers Association | | TP – F3- cell A21 | We query whether Best estimate by HRC should be reported at the level of single product or of homogeneous groups of products which is not clearly described. | | Can be in both - depending on how the product are put together |
| 522. | | German Insurance Association (GDV) | | TP – F3- cell A21 | It will be very difficult to report BE calculations at HRG level. For instance, value of options and guarantees are calculated at a macro level (usually entity level) and an artificial allocation of this value to HRG would not make sense. If the idea is to understand the volume of the product, then other information, such as surrender value or capital at risk, should be used.  BE information should be presented at entity level or at the most granular, fund level.  Point 4 of the LOG for this cell leads to unspecified results of HRG’s and Products: “If a line represents several HRGs which are common to other products (i.e. cell A2B > 1 and cell A2C = Y), then all lines concerned should be merged.”  If F3 has higher granularity than the data in F1, we will not be able to report it in such a high granularity | | Noted  Noted  Noted – but don’t understand comment  Noted |
| 523. | | ING Group Data modelling team | | TP – F3- cell A21 | Remark 1: It is difficult to combine the information per product and per HRG in one report, without mentioning the HRG’s but only giving the number of HRG’s per product. When calculating the cell for each line of the report, outcomes will be duplicated. Deriving unique outcomes per HRG is not possible.  Remark 2: Instruction 4 (Log) leads to unspecified results of HRG’s and Products: “4, If a line represents several HRGs which are common to other products (i.e. cell A2B > 1 and cell A2C = Y), then all lines concerned should be merged.”. Please confirm | | Noted  Correct interpret that lines cat be merged |
| 524. | | RSA Insurance Group plc | | TP – F3- cell A21 | The LOG references form “BS-C1A” presumably this is “BS-C1”. In any case, how the two forms agree is unclear –clarity is needed here. | | Agree: corrected in LOG |
| 525. | | The Phoenix Group | | TP – F3- cell A21 | Many undertakings indicated they would find it difficult to report BE calculations at HRG level. For instance, value of options and guarantees are calculated at a macro level (usually entity level) and an artificial allocation of this value to HRG would not make sense. If the idea is to understand the volume of the product, then other information, such as surrender value or capital at risk, should be used.  BE information should be presented at entity level or at the most granular, fund level. | | Noted  Noted |
| 526. | | AMICE | | TP – F3- cell A24 | The LOG document should provide a definition of the capital-at-risk for saving products. | | Noted |
| 527. | | Association of British Insurers (ABI) | | TP – F3- cell A24 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21. | | Agree: Changed in template |
| 528. | | CFO Forum & CRO Forum | | TP – F3- cell A24 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21. | | Agree: Changed in template |
| 529. | | Deloitte Touche Tohmatsu | | TP – F3- cell A24 | In how far is this amount to be consistent with the figure of the RE-Template (J1, Cell M11 Risk capital)? Is this amount to be reported under local GAAP (HGB in Germany) resp. Solvency II balance sheet/ IFRS? -> Explicit guidance resp. reference to relevant definiton in the Directive, QIS, L2 is necessary. | | Not needed to be consistent with J1, otherwise this should be stated in LOG |
| 530. | | Federation of Finnish Financial Services | | TP – F3- cell A24 | Capital at risk is reinsurance dependent (eg. Article 106(2)(a)) and reinsurance may be undertaking specific, not product or contract specific, so that this information may be difficult to issue. Better information would be sum at risk. | | Disagree: Decided still keep Capital at risk |
| 531. | | German Insurance Association (GDV) | | TP – F3- cell A24 | More guidance is required in order to assess the exact implications of this proposal. It may be difficult to calculate this at product denomination level.  Capital at risk is reinsurance dependent (eg. Article 106(2)(a)) and reinsurance may be undertaking specific, not product or contract specific, so that this information may be difficult to issue. Better information would be sum at risk. | | Disagree: Decided still keep Capital at risk |
| 532. | | The Phoenix Group | | TP – F3- cell A24 | Can some further clarification be provided as to the definition of ’Insured Capital’ ? – As per the log document. | | Changed clarification in LOG |
| 533. | | Association of British Insurers (ABI) | | TP – F3- cell A26 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21. | | Agree: Changed in template |
| 534. | | CFO Forum & CRO Forum | | TP – F3- cell A26 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21. | | Agree: Changed in template |
| 535. | | Deloitte Touche Tohmatsu | | TP – F3- cell A26 | Suggestion: Surrender value should be reported on HRG-basis in order to be consistent with the reporting on best estimate of technical provisions in the template. | |  |
| 536. | | German Insurance Association (GDV) | | TP – F3- cell A26 | Calculation of total surrender value for all in-force business would be very time-consuming. BE liabilities seem to already capture the value of these options and clarification would be helpful on why they are required to be reported separately. | | Noted – Discussed but decided to keep information |
| 537. | | Royal London Group | | TP – F3- cell A26 | We assume that this is surrender value in force on the valuation date. To confirm. | | Correct |
| 538. | | The Phoenix Group | | TP – F3- cell A26 | Calculation of total surrender value for all in-force business would be very time-consuming. BE liabilities seem to already capture the value of these options and clarification would be helpful on why they are required to be reported separately. | | Noted – Discussed but decided to keep information |
| 539. | | AMICE | | TP – F3- cell A2A | More guidance is needed on how the individual contracts should be splitted when covering several LOBs. | | Agree: Clarified in LOG |
| 540. | | AMICE | | TP – F3- cell A2B | EIOPA deleted from Template F1 the request to submit information by “Homogeneous risk group”. For consistency reasons this cell should be also deleted from F3. | | Disagree: As we had information in F3 we deleted it in F1 |
| 541. | | Federation of Finnish Financial Services | | TP – F3- cell A2B | HRG is specified for this cell. However, HRG is not specified L1 standard and L2 draft standard. This is totally wrong place to give such an important definition. HRG are used for many needs in the standards.  There is a partial definition of HRG in L2 draft standard in Article 28(2) and 29 but they apply only to life insurance and cases where groupin is made. More seriously, those definitions are in contradicton with the definition given for this template.  L3 standard cannot overcome L2 standard and thus it cannot be contradictionary with L2.  The definition of HRG must be given in L2 standard. After that it must be checked that all the requirements connected to HRG’s workable. (This should be the comment for L2 standard and thus this is wrong place.)  Clearer title would be Number of HRG’s in Product. The current title makes to understand that HRG’s are listed and numbered and the number of that list is reported even though the definition is enough specified but also the title could be more. | | Disagree: This cell only to give information on amount of HRG´s in products  Noted – definition removed  Agree: Changed name |
| 542. | | German Insurance Association (GDV) | | TP – F3- cell A2B | There is a partial definition of HRG in the draft Level 2 text ( Article 28(2) and 29) but they apply only to life insurance and cases where grouping is made. Also, those definitions are in contradiction with the definition provided in the LOG for this cell.  The definition of HRG must be fully detailed in at least the Level 2 text. It must be checked that all the requirements connected to HRG’s are workable.  A clearer title could be “Number of HRG’s in Product”. We understand the current title to mean that HRG’s are listed and numbered, and the number of that list is reported in this cell.  As the breakdown to HRGs is required, some guidance as to how granular the HRGs need to be would be highly appreciated. We suggest to allow for flexibility in the definition of HRGs, setting the minimum granularity requirement as the LoB-breakdown.  This comment also applies to cells A2C and A21 of TP-F3. | | Noted – definition removed  Agree: Changed name  Noted |
| 543. | | Royal London Group | | TP – F3- cell A2B | A2B and A2C – we are having difficulty understanding what is required here.  Are we supposed to produce a list of product characteristics (rather like the FSA product code list) which we use here or something else? Further guidance is required here | | Agree – Better clarification in LOG for A1 |
| 544. | | Federation of Finnish Financial Services | | TP – F3- cell A2C | If the definition of L2 is followed the only possible answer is No. | | Noted – But still keep |
| 545. | | German Insurance Association (GDV) | | TP – F3- cell A2C | If the partial definition in the Level 2 text is used, the answer in this closed list would always be “No”. | | Noted – But still keep |
| 546. | | Royal London Group | | TP – F3- cell A2C | See comment in A2B above | | Agree – Better clarification in LOG A1 |
| 547. | | PwC | | TP – F3- cell A3 | It will be important that the definition of what a ring-fenced funds is clear once firms are required to submit their first Pillar 3 reporting. | | Noted |
| 548. | | AMICE | | TP – F3- cell A30 | EIOPA defines in the LOG document three types of rates: the “guaranteed rate”, the “technical rate” and the return rate. Clarification is needed in the LOG document on whether EIOPA is referring to the technical guaranteed interest rate. If this is the case, we do not see why this rate should not be applicable to profit business. | | Not clear what the comments point out |
| 549. | | Association of British Insurers (ABI) | | TP – F3- cell A30 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21.  We also seek clarification from EIOPA on what business the annualised guarantee rate applies to and how the calculation should be performed. Any requirement which would involve a separate row in TP – F3 for each pricing basis change on any product which there is a guarantee would be extremely onerous. | | Agree: Changed to be similar with A21  Noted – some clarifications made in LOG |
| 550. | | CFO Forum & CRO Forum | | TP – F3- cell A30 | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21. | | Agree: Changed in template |
| 551. | | Deloitte Touche Tohmatsu | | TP – F3- cell A30 | Is there only one rate (an average) to be provided by HRG – or does a different guarantee imply a new product denomination? | | Ask SG3 |
| 552. | | German Insurance Association (GDV) | | TP – F3- cell A30 | This appears to be very specific to individual product types and/or territories and therefore not appropriate for all products/territories.  Further clarification required:   Is this cell only applicable to annuity business or non-profit with guarantee?   This cell should not be applicable for unit linked or with profits business. | | Noted  Yes  Agree: already explained in LOG |
| 553. | | Royal London Group | | TP – F3- cell A30 | LOG mentions that this is not applicable to unit linked and “profit” business.  Should be “non profit” business?  For conventional with-profit business, this is likely to be difficult to populate as the historic information may not be available.  For unitised with-profit business, this measure is not sensible and should be removed. | | Partially agree : Changed in LOG. Some non-profit can be applicable. |
| 554. | | The Phoenix Group | | TP – F3- cell A30 | This value would appear to make sense at policy level for Non profit endowments and single premium policies. Aggregating this to a group of policies would be difficult and not clear there is any purpose in this value. Can this item therefore be removed.  Is this value required for Non-commercialised products ?  Can the statement ‘Not applicable for unit linked and profit business.’ be clarified. Is this just with profit business? | | Partially agree : Changed in LOG. Some non-profit can be applicable.  Could be in some cases  Clarified in LOG |
| 555. | | AMICE | | TP – F3- cell A34A | The LOG document states that the “Total amount of theoretical claims (according to table) during year” is requested to compare the expected claims (according to the table) and the actual claims as described in A20. There is a typo in the LOG document as there is no cell A20 to compare with. | | Agree: Deleted from template and LOG. Reintroduced A20 as this more value information |
| 556. | | Association of British Insurers (ABI) | | TP – F3- cell A34A | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21.  In the Log the purpose is given as allowing a comparison of expected claims and actual claims. However, actual claims information has been removed. Therefore the comparison is not possible.  Given this we now question the value of this item and ask that it be removed. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 557. | | CFO Forum & CRO Forum | | TP – F3- cell A34A | Where we have merged cells in A21 there will have to be a similar merging of cells here as it is a function of the BEL in A21.  In the Log the purpose is given as allowing a comparison of expected claims and actual claims. However, actual claims information has been removed. Therefore the comparison is not possible.  Given this we now question the value of this item and ask that it be removed. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 558. | | Deloitte Touche Tohmatsu | | TP – F3- cell A34A | A clearer definition as to what is required is necessary. For example, more guidance would be helpful l whether the sum of theoretical claims used as an assumption within the pricing of a particular product is to be disclosed. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 559. | | Federation of Finnish Financial Services | | TP – F3- cell A34A | The definition in the LOG is not unambiguous.  This is not calculated by model because it is not used anywhere else. It is not good use of resources to use programming time and resources to this figure which is too granular. Many factors which are used for the HRG classification are not relevant to the thoretical claims and thus unnesessary.  There is no cell A20 to which the comparision is done. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 560. | | German Insurance Association (GDV) | | TP – F3- cell A34A | There will often be many tables applied to sub-categories of an overall product denomination (e.g. one for each homogenous risk group. Also, this assumes that all policies within a product denomination are valued in the same way.  The LOG refers to cell A20 however this cell no longer exists in this template.  Further clarification required:   Provide BE assumption – but should this only be provided where mortality rates have an impact on pricing and benefit i.e. not relevant for Unit Linked Savings? | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 561. | | Groupe Consultatif | | TP – F3- cell A34A | Purpose of this cell (as per LOG document) refers to cell A20 which no longer exists? | | Agree: Deleted |
| 562. | | ING Group Data modelling team | | TP – F3- cell A34A | Field header refers to table, but BE table from previous version is removed. The amount of claims that is presented here cannot be related to this table, nor be compared to the actual amount of claims for this field (A20) was also removed. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 563. | | Royal London Group | | TP – F3- cell A34A | The Log refers to a comparison with claims paid in cell A20. Cell A20 has been deleted. Should A34A also be deleted ? If not, what is its purpose ? If it is not deleted the Log should be updated to remove the reference to A20. | | Agree: Deleted from template and LOG. Reintroduced A20 as this is more information of value |
| 565. | | German Insurance Association (GDV) | | TP – F3- cell A4 | This cell may be relevant if the product is in run off. The judgement on risk is different if you know that the product will grow or decrease in the future. | | Noted |
| 566. | | German Insurance Association (GDV) | | TP – F3- cell A41 | Further clarification required:   Should there be an affirmative response only when the TP has been calculated by the replication method? | | Put “No” when not used for replication |
| 567. | | The Phoenix Group | | TP – F3- cell A41 | Is this cell applicable where we are not calculating ‘Technical Provisions as a whole’ ?  Field header refers to table, but BE table from previous version is removed. The amount of claims that is presented here cannot be related to this table, nor be compared to the actual amount of claims for this field (A20) is also removed. | | Yes, but then put “No” there  Deleted |
| 568. | | Crédit Agricole Assurances | | TP – F3- cell A5 | Will a closed list be communicated? | | Decided not to introduce at this time but have this as an option for the future to be developed |
| 569. | | German Insurance Association (GDV) | | TP – F3- cell A5 | To assist the comparability between undertakings, a closed list of products should be developed.  The “type of product” list should not be more extensive than the product categories set out in TP-F1.  The closed list could include a value “other”, in the case that undertakings report a large number of “other products”, the supervisor could then consider extending the closed list. | | Noted – But at a later stage  Agree  Noted |
| 570. | | Groupe Consultatif | | TP – F3- cell A5 | EIOPA has asked if a closed list should be provided for type of product. Any list provided should be a sub-division of the Lines of Business used for the TP templates. We note that classes of business (as per Annex II and V of the Directive) are used to sub-divide the template Country-K1. This requires a different sub-division of business than the Line of Business split for the TP templates (and the Cover-A1 template). | | Noted –But no closed list will be developed at this stage |
| 571. | | PwC | | TP – F3- cell A5 | To ensure better comparability between different undertakings it may be usesful to provide a detailed product list. | | Noted |
| 572. | | The Phoenix Group | | TP – F3- cell A5 | The “type of product” list should not be more extensive than the product categories set out on page TP-F1. | | Noted |
| 573. | | Association of British Insurers (ABI) | | TP – F3- cell A6 | The definitions used here tie in with the previous categorizations where there were 4 major lines of business and a second layer of 4 main risk drivers.  However, this set up has been changed to an 8 way line of business with no sub reference to risk driver. This has not been reflected in these definitions.  As A2A already gives the line of business, the only additional information collected here is the ‘Type of contract – single life, joint life, collective, other.  We feel that this further subdivision adds little understanding and in particular does not facilitate reconciliation with TP-F1, which is the stated aim of this data item.  This form will already contain many lines of data without this unnecessary sub-division and we therefore request that this column is removed. | | Agree: Deleted one sub group with main risk drivers  Noted – but not changed  Disagree: Need also information on LoB here to follow up on LoB |
| 574. | | CFO Forum & CRO Forum | | TP – F3- cell A6 | The definitions used here tie in with the previous categorizations where there were 4 major lines of business and a second layer of 4 main risk drivers.  However, this set up has been changed to an 8 way line of business with no sub reference to risk driver. This has not been reflected in these definitions.  As A2A already gives the line of business, the only additional information collected here is the ‘Type of contract – single life, joint life, collective, other.  We feel that this further subdivision adds little understanding and in particular does not facilitate reconciliation with TP-F1, which is the stated aim of this data item.  This form will already contain many lines of data without this unneccessary sub-division and we therefore request that this column is removed. | | Agree: Deleted one sub group with main risk drivers  Noted – but not changed  Disagree: Need also information on LoB here to follow up on LoB |
| 575. | | Danish Insurance Association | | TP – F3- cell A6 | The log refers to “main risk driver” this classification has been removed from the other templates, but still exists in this cell. Is this intentional? | | Agree: Deleted one sub group with main risk drivers |
| 576. | | German Insurance Association (GDV) | | TP – F3- cell A6 | Initial mapping work will be significant in order to assign policies to the new product classification IDs.  In the LOG, the harmonised code still contains a position (2nd letter) to identify the risk driver of a product, whereas in TP-F1 the segmentation into risk driver has been removed. | | Noted  Agree: Deleted one sub group with main risk drivers |
| 577. | | Royal London Group | | TP – F3- cell A6 | The implication from the Log is that one product could be in several lines each with a different product classification ID. For example if a product is sold on either a single life or a joint life basis, the two versions of the product would be shown separately. Is this interpration correct ? If so, this will be very onerous to do, requiring extensive system changes.  For some products it will not be possible to split the accounting premiums by risk type, because the premium is written and recorded by the policy admin system as a single premium. For example some term assurance contracts with added critical illness. The term assurance benefit is risk ‘Death’, whereas the critical illness is risk ‘Morbidity’. The product is priced as one contract and only one premium is recorded by the admin system, not one premium for each benefit. It is not therefore possible to split by risk type.  The definition of the second letter in the code is not clear – especially for E (risk) and O (other).  Now that cell A9 has been changed to be the number of contracts rather than the number of lives should the third letter of the ID code (single, joint, collective or other life) be deleted ? | | Clarified in LOG as this was not clear and could be misinterpret  Risk type Deleted  Deleted  Disagree: In A6 this refer to type of contract |
| 578. | | The Phoenix Group | | TP – F3- cell A6 | The harmonized code still contains a position (2nd letter) to identify the risk driver of a product, whereas in TP-F1 the segmentation into risk driver has been removed. | | Agree: Deleted one sub group with main risk drivers |
| 579. | | Association of British Insurers (ABI) | | TP – F3- cell A7 | The phrase ‘Combinations can be used for example on a pension policy’. This implies that if a product can accept either single or regular premiums, that it would be shown as a single line on the QRT and both premiums types would be included in cell A7. Is this correct? | | Agree: Clarified in LOG for this kind of products |
| 580. | | Deloitte Touche Tohmatsu | | TP – F3- cell A7 | Depending on the level of granularity required in this template and the current statutory requirements for each jurisdiction it might not be straightforward to supply the required premium information, resulting in additional, possibly significant, costs for implementing these changes. | | Noted |
| 581. | | Federation of Finnish Financial Services | | TP – F3- cell A7 | Regular but flexible premium is very important class of premium paying but not included in this list. | | Agree: Clarified in LOG |
| 582. | | German Insurance Association (GDV) | | TP – F3- cell A7 | Further clarification required:   Clarification would be helpful on whether any combination from the list of R/S/NS/NF/O can be paid into one single policy, for example a pension policy?   “Regular but flexible premium” is very important class of premium paid but not included in this list. | | Agree: Clarified in LOG  Agree: Clarified in LOG |
| 583. | | Royal London Group | | TP – F3- cell A7 | The phrase ‘Combinations can be used for example on a pension policy’. This implies that if a product can accept either single or regular premiums, that it would be shown as a single line on the QRT and both premiums types would be included in cell A7. Is this correct ? | | If different it should be split in different lines |
| 584. | | German Insurance Association (GDV) | | TP – F3- cell A8 | Please refer to TP - F1 – cells J1 – JL13. | |  |
| 585. | | AMICE | | TP – F3- cell A9 | We welcome EIOPA´s decision to request information on the number of contracts As we stated in our previous comments the information on the “Number of insured persons at the end of the year” is not available for certain products (i.e. saving products). | | Noted |
| 586. | | Association of British Insurers (ABI) | | TP – F3- cell A9 | The reference to the IFRS definition of an insurance contract in this cell is strange. If only IFRS insurance contracts are included then a large number of contracts will be excluded, for example most unit linked savings contracts. | | Agree: changed explanation in LOG |
| 587. | | German Insurance Association (GDV) | | TP – F3- cell A9 | Successful reporting of this information is dependent on all databases being kept completely up to date.  We do not understand why the reference for contracts is IFRS 4. In Solvency II framework there’s no distinction between insurance and investment contracts.  For the cells A9, A10 and A15, the LOG states that only contracts classified as insurance contracts in IFRS 4 are included in this cell. We question what should be done with contracts classified as investment contracts, for example unit linked and if they are to be included in the template?  This information does not appear to be relevant for Reinsurance undertakings.  If so, deadlines established for this template should be adapted to reinsurance business specificities.  The compilation process of data from ceding undertakings requires more time compared  to insurance undertakings (3 months more by common practices)).Therefore, reinsurers should have a longer deadline for reporting purposes e.g. currently, local regulation in certain EU members set an extended period that should be recognized in SII.  No special provisions for reinsurers are taking on board these specificities. It´s important to highlight that 111 reinsurers participated in QIS5, of which around 100 were SMEs  Further clarification required:   How should undertakings treat cluster contracts? | | Noted  Agree: changed explanation in LOG  Agree: changed explanation in LOG  Agree: Clarified in LOG  Only direct business reported in F3 template  Noted – but not clarified in LOG as very special contract. Could be answered later on by NS or EIOPA |
| 588. | | Royal London Group | | TP – F3- cell A9 | The reference to the IFRS definition of an insurance contract in this cell is strange. If only IFRS insurance contracts are included then a large number of contracts will be excluded, for example most unit linked savings contracts. | | Agree: Change explanation in LOG |
| 590. | | The Phoenix Group | | TP – F3- cell A9 | Certain insurance products are not insurance contracts under IFRS4, they may be classed as Investment contracts. Can the definition / scope of contracts be clarified here.  It is unclear how “number of insured persons” should be interpreted in cases where an individual is insured under more than one policy, this would pose significant logistical difficulties in order to identify and group all the policies of an individual.  We do not understand why the reference for contracts is IFRS 4. In Solvency II framework there’s no distinction between insurance and investment contracts.  Template F3 in the LOG for the cells A9, A10 and A15, only contracts that in the accounting (IFRS) are classified as insurance contracts are mentioned. What should be done with contracts classified as investment contracts (e.g. unit link), are investment contracts to be included or not in the template?  Does this cell only refer to insurance contracts defined in IFRS and disregards contracts defined as investment contract? | | Agree: Change explanation in LOG  Only count one, see LOG  Agree: Change explanation in LOG  Agree: Change explanation in LOG  Agree: Change explanation in LOG |
| 591. | | Association of British Insurers (ABI) | | TP – F3- Costs | To produce premiums to the required level of granularity will be extremely onerous, requiring changes to be made to the policy admin feeds to the finance systems for virtually every admin system. This will be especially onerous and costly for groups and will involve significant costs. | | Noted |
| 592. | | CEA | | TP – F3- Costs | Overall, the granularity in this template is significant and therefore will be very time consuming and expensive to create.  Information on stock and movements (cells A9 to A15) in particular will be very costly to report and the information may not be available for example, the number of insured persons for group contracts.  Please refer to TP-F3-General and Benefits for comments on Best Estimate calculated by HRG. | | Noted  Noted |
| 593. | | Deloitte Touche Tohmatsu | | TP – F3- Costs | Clarification regarding the minimum level of granularity required in this template would be helpful, also taking into consideration materiality considerations. For some jurisdictions there are concerns that the level of granularity required in this template might cause companies to incur significant costs for implementing these changes. | | Noted |
| 594. | | German Insurance Association (GDV) | | TP – F3- Costs | Overall, the granularity in this template is significant and therefore will be very time consuming and expensive to create.  Information on stock and movements (cells A9 to A15) in particular will be very costly to report and the information may not be available for example, the number of insured persons for group contracts.  Best estimate information (A21) should not be required at HRG level. Undertakings would complete these calculations at entity level or fund level. | | Noted  Noted  Disagree: need to follow up BE on product |
| 595. | | Royal London Group | | TP – F3- Costs | To produce premiums to the required level of granualrity will be extremely onerous, requiring us to make changes to policy admin feeds to the finance systems for virtually every admin system in the group. Our initial estimate is that this will involve a one-off cost in excess of £1m. | | Noted |
| 596. | | The Phoenix Group | | TP – F3- Costs | Overall, the granularity in this template is significant and therefore will be very time consuming and expensive to create.  Cells A9 to A15 in particular will be very costly to report and the information may not be available for example, the number of insured persons for group contracts.  Best estimate information (A21) should not be required at HRG level. Undertakings would complete these calculations at entity level or fund level. | | Noted  Noted  Disagree: need to follow up BE on product |
| 597. | | UNESPA – Association of Spanish Insurers | | TP – F3- Costs | In the case that pure reinsurers were obliged to report this template, costs would be overly high. | | Only for direct business. Clarified in LOG |
| 598. | | The Directorate General Statistics (DG-S) of the E | | TP – F3- Frequency | Please refer to BS-C1 – Frequency | | Noted |
| 599. | | AMICE | | TP – F3- General |  | |  |
| 600. | | Association of British Insurers (ABI) | | TP – F3- General | There appears to be a significant level of detail required in this template, beyond which is provided currently for solvency reporting. Significant work would be required. We suggest a materiality limit (e.g. only for products where the BEL exceeds the lesser of £100m or 1% of total BEL).  The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. Whilst some grouping has been allowed, the level of granularity still represents a major challenge. Consideration should be given to consolidating products into higher level categories. | | Noted  Disagree: Discussed but decided to have information for all product and threshold for small products can be very risky  Noted |
| 601. | | CEA | | TP – F3- General | The template requires data to be synchronised between “technical provisions” (actuarial) and “claims paid and premiums received” (accounting). The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. The definition of “product denomination” will result in a huge number of rows in this table.  Systematic reporting should only be required for annualised guaranteed rate and the “Identification and classification” section (green) for supervisory purposes. For ad-hoc reporting only some columns should be required as set out below. Other areas should be reported on a qualitative basis (table, surrender rates, financial replication).  The summary document gives the impression that HRG’s are regrouping products yet the excel template appears to indicate that it is more detailed than products. We would urge EIOPA not to follow a level of granularity that is not aligned to the way that undertakings manage their risks.  Calculations of BE at HRG level would be onerous and expensive (in term of timing and setting-up systems).    If we correctly understand, a single product will have different lines when it has different characteristics according to following fields (guarantees with different risks, different commercialisation dates, etc). It should be noted that the same product could be part of several HRGs. For example, products with different guaranteed rates during the life of a single contract, we assume that we can regroup contracts and calculate an average guaranteed rate.  This template contains too much information to be collected and reported annually.  We believe this is an excessive level of detail about technical provisions. For assessing how model points are built, this information should not be requested systematically but either on an ad hoc basis or in coordination with an on-site inspection. For analysing the products sold. A simpler template could be developed consisting only of cells A1 – A8, A24 – A30 and potentially A15.  For ad-hoc reporting, where supervisors wish to check the model points/HRG of a particular undertaking, a reporting template could be based on the following:   green section (cells A1 – A8);   Red section: A34A.   The other information should be analysed on a more qualitative basis, and we should let the undertaking decide the format in which to answer to the questions of the supervisors, as part of the natural dialogue between the two. For instance, we query how the surrender rate could be reported when we using stochastic projections as this would depend on the scenario.   Dialogue on how surrenders are modelled would be more useful for supervisors and this would involve a qualitative exchange between the supervisor and the undertaking.  Further clarification required:   It is not clear how many lines on the report are expected per product. Is it correct that selling the product in more than one country may lead to more lines? And applying combinations of premium types (for pension) would not lead to more lines?   We query if templates TP-F3 to TP-F4 are applicable for health insurers? The information required in this template does not correspond to the underwriting procedures of health insurance (health non-SLT). | | Noted  Disagree: Information needed to follow up product by product  Noted  Noted  More clarification in LOG on how to split up in different lines  Noted  Noted- discussed but decided to keep current suggestion  Disagree:  Already deleted some difficult columns at earlier informal consultation and changed some to be easier to obtain data to  Noted    Noted  More clarification in LOG  Noted – should be for Life products and annuities |
| 602. | | CFO Forum & CRO Forum | | TP – F3- General | Consideration should be given to consolidating products into higher level categories or materiality limits.  The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. Whilst some grouping has been allowed, the level of granularity still represents a major challenge. Consideration should be given to consolidating products into higher level categories or materiality limits.  There appears to be a significant level of detail required in this template, beyond which is provided currently for solvency reporting. Significant work would be required. We suggest a materiality limit (e.g. only for products where the BEL exceeds the lesser of £100m or 1% of total BEL).  This template cannot be supplied for reinsurance business due to the lack of data availability. Therefore it should be restricted to direct business only. | | Noted  Noted  Disagree. Discussed but decided not to have materiality limit as all product should be reported and risk could be that risky products not be reported  Agree: Only for direct business. Clarified in LOG |
| 603. | | Danish Insurance Association | | TP – F3- General | We don’t see the point of providing so many layers in F3, i.e. commercial name(A1), homogenous risk group(A2B) and line of business(A2A). Furthermore it is not clear to us why EIOPA needs information on commercial name. The commercial name of a product is not related to the risk of a product, and the inclusion in the template potentially leads to a very extensive report.  Line of business should be sufficient for assessing the risk of life insurance obligations. If EIOPA insists on a HRG or commercial name split, we suggest pragmatic solutions for smaller products and HRG, e.g. a materiality threshold. | | Disagree: This will give information on product basis and can give important information on changes on different products  Disagree: Not giving information on product basis if only LoB |
| 604. | | Deloitte Touche Tohmatsu | | TP – F3- General | In order to reflect the specific characteristics of the private health insurance contracts in some jurisdictions we suggest the development of individual QRTs for the health insurance.  Explicit guidance from EIOPA - included in the LOG document - is required with regard to the relevance of F3 template for the Health Insurance (see LOG-file, cell A6: “health insurance” was not explicitly mentioned in the context of “major LoB”). If the template is not relevant for the Health Insurance, the LOG-file should explicitly except it.  Further guidance required with regard to the definition of Lines of Business (LoBs) for Health Insurance products in some jurisdictions: clarification is required with regard to the explicit (mutual exclusiv) allocation of the Heath products between SLT and Non-SLT Health Insurance Lines of Business (LoBs).  There should be some organization - EIOPA, associations, local supervisor - that is responsible for local interpretation and giving explicit guidance of Pillar 3 reporting requirements considering specifics of local markets. | | Disagree: No new template will be developed  Agree: this was an error. Clarified in LOG  Disagree: If only in some jurisdictions not clarified in LOG. Could be clarified later by NS or EIOPA  Noted - some guidance to this is needed later on |
| 605. | | Federation of Finnish Financial Services | | TP – F3- General | The LOG comment specifies that annuities stemming from NL contracts are excluded however the definition for cell A1 states that for non-life annuities, it should be specifies which product it belongs to. This seems to be inconsistent. The template should not include information of non-life annuities. | | Agree: This is removed. F4 could give this information |
| 606. | | German Insurance Association (GDV) | | TP – F3- General | The template requires data to be synchronised between “technical provisions” (actuarial) and “claims paid and premiums received” (accounting). The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. The definition of “product denomination” will result in a huge number of rows in this table.  Systematic reporting should only be required for annualised guaranteed rate and the “Identification and classification” section (green) for supervisory purposes. For ad-hoc reporting only some columns should be required as set out below. Other areas should be reported on a qualitative basis (table, surrender rates, financial replication).  The summary document gives the impression that HRG’s are regrouping products yet the excel template appears to indicate that it is more detailed than products. We would urge EIOPA not to follow a level of granularity that is not aligned to the way that undertakings manage their risks.  Calculations of BE at HRG level would be onerous and expensive (in term of timing and setting-up systems).    If we correctly understand, a single product will have different lines when it has different characteristics according to following fields (guarantees with different risks, different commercialisation dates, etc). It should be noted that the same product could be part of several HRGs. For example, products with different guaranteed rates during the life of a single contract, we assume that we can regroup contracts and calculate an average guaranteed rate.  Furthermore, we assume that it is possible to mention 2 tables used to calculate the BE, one for men and one for women, avoiding to split the product in 2 only because of gender.  This template contains too much information to be collected and reported annually.  We believe this is an excessive level of detail about technical provisions. For assessing how model points are built, this information should not be requested systematically but either on an ad hoc basis or in coordination with an on-site inspection. For analysing the products sold. A simpler template could be developed consisting only of cells A1 – A8, A24 – A30 and potentially A15.  For ad-hoc reporting, where supervisors wish to check the model points/HRG of a particular undertaking, a reporting template could be based on the following:   green section (cells A1 – A8);   red section: A34A.   The other information should be analysed on a more qualitative basis, and we should let the undertaking decide the format in which to answer to the questions of the supervisors, as part of the natural dialogue between the two. For instance, we query how the surrender rate could be reported when we using stochastic projections as this would depend on the scenario.   Dialogue on how surrenders are modelled would be more useful for supervisors and this would involve a qualitative exchange between the supervisor and the undertaking.  Further clarification required   It is not clear how many lines on the report are expected per product. Is it correct that selling the product in more than one country may lead to more lines? And applying combinations of premium types (for pension) would not lead to more lines?   How to deal with product extentions (additional covers or garantees)   Cell A21By definition the technical provisions contain the value of O&G before tax. There are two possibilities to calculate the technical provisions: We can either consider them as the mean value over 1000 stochastic projections or we can calculate a deterministic value and add the value of O&G. Both can be done using our stochastic system.  For the QRT a separation of the technical provisions into different product lines (products with death risk, with longevity risk, with disability risk etc.) is required. This separation can be done for the deterministic cashflows. It cannot be done for the value of O&G. For us the value of O&G does only make sense on the whole portfolio. We could break the value down mechanically. But I doubt that this increases the information content.   What is the required granularity for TP-F3?   What is the difference between homogeneous Risk Group und Product Denomination. | | Noted  Noted  Can be reported by product basis or if many and similar product grouped together by HRG  Noted  Better clarification added in LOG on how to split up in different lines  No need for split by gender  Noted  Noted – But still want to keep suggested template  Noted  Noted  More clarification added in LOG  To specific and Not for LOG but can be clarified later  Noted  Noted  Depends on product  Product Denomination are information on the commercial product used |
| 607. | | ILAG | | TP – F3- General | To present each product separately and, in addition, some products split by risk characteristics, will produce a large number of lines.  Implementation costs are expected to be high to achieve this level of detail.  Simplification is needed. | | Noted |
| 608. | | ING Group Data modelling team | | TP – F3- General | It is not clear how many lines on the report are expected per product. Is it correct that selling the product in more than one country may lead to more lines? Does applying combinations of premium types (for pension) not lead to more lines? | | Yes, Selling in different countries may lead to more lines but can also be put together if smaller amount |
| 609. | | Royal London Group | | TP – F3- General | This template requires the matching of accounting data (premiums) with actuarial data (technical provisions). This is required at a far greater level of detail than is currently performed. It will require significant system changes to obtain premiums at the required level of granularity.  To present each product separately and in addition some products split by risk charateristics will produce a large number of lines.  The emplate should be simplified, at least removing A15. | | Noted  Noted  Disagree |
| 610. | | The Directorate General Statistics (DG-S) of the E | | TP – F3- General | 6. Please refer to BS-C1 – General | |  |
| 611. | | The Phoenix Group | | TP – F3- General | The template requires data to be synchronised between “technical provisions” (actuarial) and “claims paid and premiums received” (accounting). The required data is currently not held nor matched at the product denomination level of granularity and it will be highly onerous to provide this information. The definition of “product denomination” will result in a huge number of rows in this table.  Systematic reporting should only be required for annualised guaranteed rate and the “Identification and classification” section (green) for supervisory purposes. For ad-hoc reporting only some columns should be required as set out below. Other areas should be reported on a qualitative basis (table, surrender rates, financial replication).  The summary document gives the impression that HRG’s are regrouping products yet the excel template appears to indicate that it is more detailed than products. We would urge EIOPA not to follow a level of granularity that is not aligned to the way that undertakings manage their risks.    If we correctly understand, a single product will have different lines when it has different characteristics according to following fields (guarantees with different risks, different commercialisation dates, etc). It should be noted that the same product could be part of several HRGs. For example, products with different guaranteed rates during the life of a single contract, we assume that we can regroup contracts and calculate an average guaranteed rate.  Furthermore, we assume that it is possible to mention 2 tables used to calculate the BE, one for men and one for women, avoiding to split the product in 2 only because of gender.  We believe this is an excessive level of detail about technical provisions. For assessing how model points are built, this information should not be requested systematically but either on an ad hoc basis or in coordination with an on-site inspection. For analysing the products sold. A simpler template could be developed consisting only of cells A1 – A8, A24 – A30 and potentially A15.  We don’t see EIOPA’s need for information on commercial names of products. This information is in many cases arbitrary, as a commercial name can cover several products, and hence is not related to the risk. The reporting by line of business should be sufficient.  This template contains too much information to be collected and reported annually. | | Noted  Noted  Noted  More clarification in LOG in how to show different characteristics  No need to split on Gener  Noted  Disagree  Noted |
| 612. | | UNESPA – Association of Spanish Insurers | | TP – F3- General | Can one conclude that this template is only for direct insurers? Cell A2B talks about “(re)insurance obligations” | | Only for direct business. Text refers more to HRG and there also reinsurance mentioned |
| 613. | | The Directorate General Statistics (DG-S) of the E | | TP – F3- Groups | Please refer to BS-C1 – Groups | |  |
| 614. | | CEA | | TP – F3- Materiality | A materiality clause should be introduced so that the template focuses on meaningful information. | | Noted – Discussed but decided not to have one |
| 615. | | Deloitte Touche Tohmatsu | | TP – F3- Materiality | In view of the concerns with respect to the costs (see comment on F3 – Costs, F3 – A7 and F3 – A15) a materiality threshold with respect to the level of granularity should be defined. | | Noted – Discussed but decided not to have one |
| 616. | | German Insurance Association (GDV) | | TP – F3- Materiality | A materiality clause should be introduced so that the template focuses on meaningful information. | | Noted – Discussed but decided not to have one |
| 617. | | Royal London Group | | TP – F3- Materiality | The lack of a materiality threshold will lead to excessive disclosure and detail on this template. | | Noted |
| 618. | | CEA | | TP – F3- Purpose | Feedback from EIOPA indicated that the purpose of this template is to determine if model points/HRGs are well defined. This information is part of internal control systems and model validation. Supervisors will validate models and monitor internal controls of the undertaking therefore we do not believe that this template would add additional insights to fulfil the intended purpose. | | Noted |
| 619. | | Federation of Finnish Financial Services | | TP – F3- Purpose | We think this template shall not be included in the set of templates. Arguments:  We very much doubt whether this template is good for the stated purpose. There may be thousneds of HRG’s (see comment in cell A2B) and much more lines. None will read the template, neither the preparer nor the users. Even though HRG’s would be defined properly there might be several tens of lines which is far too granular. For the preparer this template will not give any more risk awerness because the risks are revealed by other means. We think that it is same for the supervisor, too, which must study more than one company.  Neiher this template is good to the supervisor for making summaries over the undertakings because each undertaking will define HRG in different ways and thus the temlpates of different undertakings are not comprable. | | Noted  Noted |
| 620. | | German Insurance Association (GDV) | | TP – F3- Purpose | Feedback from EIOPA indicated that the purpose of this template is to determine if model points/HRGs are well defined. This information is part of internal control systems and model validation. Supervisors will validate models and monitor internal controls of the undertaking therefore we do not believe that this template would add additional insights to fulfil the intended purpose. | | Noted |
| 621. | | CEA | | TP – F3A- Benefits | Please refer to cell TP-F3A- General. | | Noted – no action proposed |
| 622. | | German Insurance Association (GDV) | | TP – F3A- Benefits | Please refer to cell TP - F3A- General. | | Noted – no action proposed |
| 623. | | Groupe Consultatif | | TP – F3- cell A15 | LOG document refers to TP(NL)-E5 which doesn’t exist. | | Agree: removed from LOG |
| 624. | | Deloitte Touche Tohmatsu | | TP – F3A- cell A6 | A further example on cases when the type of guarantee is not associated to an interest rate guarantee (e.g. ratchet on fund value) might be helpful. | | No action proposed |
| 625. | | ING Group Data modelling team | | TP – F3A- cell A6 | Remark 1: Major LOB (letter 1) from log file: Are Life and Health both included in the Annuities stemming form Non-Life? This would mean that the Life LOB is not split out for Life and Health.  Remark 2: MRT (letter 2) from log file: “risk ( if product have several guarantees)” is not defined by a code. | | Changed in LOG |
| 626. | | CEA | | TP – F3A- Costs | Please refer to cell TP-F3A- General. | |  |
| 627. | | German Insurance Association (GDV) | | TP – F3A- Costs | Please refer to cell TP - F3A- General. | |  |
| 628. | | CEA | | TP – F3A- General | This proposed reporting template introduces higher reporting standards for undertakings selling variable annuities. In our view, there are already clear principles governing specific considerations on the basis of the risk and materiality of the undertaking’s activities.  We express concern as to whether there is indeed a necessity to have specific recommendations for certain product types, given that Solvency II is a principles-based, risk-based system applied uniformly across product types. In our view, the individual characteristics of Variable Annuities (e.g. the use of hedging programmes, the situations in which stochastic modelling is required, etc) are unfounded and should not be part of systematic reporting requirements. | | Noted – no action or response to this point proposed.  The rationale for additional reporting for VAs well understood at Supervisor level, and the need for additional requirements evolves from this. |
| 629. | | German Insurance Association (GDV) | | TP – F3A- General | This proposed reporting template introduces higher reporting standards for undertakings selling variable annuities. In our view, there are already clear principles governing specific considerations on the basis of the risk and materiality of the undertaking’s activities.  We express concern as to whether there is indeed a necessity to have specific recommendations for certain product types, given that Solvency II is a principles-based, risk-based system applied uniformly across product types. In our view, the individual characteristics of Variable Annuities (e.g. the use of hedging programmes, the situations in which stochastic modelling is required, etc) are unfounded and should not be part of systematic reporting requirements.  For “accepted reinsurance of VA business” a split of business into different products is impractical. In particular a treaty-by treaty description would neither be feasible nor would such granular information provide any additional benefit for supervisors.  As a general attitude we would consider the split of the hedging into different “Greeks” as adequate for supervisors to assess the hedging approach. One might observe, however: It is not yet defined which figures should be reported in this sheet. Moreover, one has to ensure, that the figures to be reported are well defined and measurable by the insurer without excessive additional effort.  Applies to F3B  Moreover a split of VA business into different products may not provide supervisors with additional information. For the sake of this quantitative risk- and result assessment a universal assessment may provide more relevant figures since in many cases there are correlation effects between different products to be taken into account. In particular for reinsurance the split into products should not be interpreted as a treaty-by treaty assessment – in view of numerous different contracts with overlapping risk profiles. | | As above.  No response required. It is the supervisor’s role to determine the extent and granularity of information required in relation to VA products and these comments are therefore of no relevance. |
| 630. | | Groupe Consultatif | | TP – F3A- General | It would be helpful to give a definition of variable annuities so that undertakings are clear when this template should be used. | | Noted – no response required, def addressed as part of EIOPA technical paper on VAs |
| 632. | | CEA | | TP – F3A- Materiality | Please refer to cell TP-F3A- General. | |  |
| 633. | | German Insurance Association (GDV) | | TP – F3A- Materiality | Please refer to cell TP - F3A- General. | |  |
| 634. | | CEA | | TP – F3A- Purpose | Please refer to cell TP-F3A- General. | |  |
| 635. | | German Insurance Association (GDV) | | TP – F3A- Purpose | Please refer to cell TP - F3A- General. | |  |
| 636. | | Association of British Insurers (ABI) | | TP – F3B- cell A1 | The information on hedging is market sensitive and we are concerned about including it in templates, even in a private disclosure to supervisors. We suggest that the information would be better suited to a narrative report. | | The provision of quantitative information is critical from a supervisory perspective. The comment is unhelpful and incorrect. |
| 637. | | CFO Forum & CRO Forum | | TP – F3B- cell A1 | The information on hedging is market sensitive and we are concerned about including it in templates, even in a private disclosure to supervisors. We suggest that the information would be better suited to a narrative report. | | As above |
| 638. | | Deloitte Touche Tohmatsu | | TP – F3B- cell A10 | Hedging might by done for a portfolio of products without allocating hedge instruments to a specific product. Some guidance on possible ways to split up the result of the hedge by product may be required. | | Noted |
| 639. | | CEA | | TP – F4- Benefits | Please refer to cell TP – F4- General. | |  |
| 640. | | German Insurance Association (GDV) | | TP – F4- Benefits | Please refer to cell TP – F4- General. | |  |
| 641. | | Deloitte Touche Tohmatsu | | TP – F4- cell A0 |  More Guidance  is required in order to clarify which numbers should be entered into A0, A1 and A3, in particular in comparison to A5. E.g. which assumptions should be made in order to calculate the « undiscounted annuity claims provisions » and how they differ from the Best Estimate assumptions to be made for the calculation of A5. In addition, some local guidance, relating the entries required to the statutory annuity claims provisions potentially differing by jurisdiction would be helpful.   Depending on the clarification for the calculation of the undiscounted annuity claims provisions and on how the annuity calculations on a statutory basis are performed it may not be straightforward to calculate the undiscounted annuity claims provisions (i.e. to «switch off discounting  »).   We suggest reconsidering the number of accident years included in the template and the subtotals in order to align it as far as possible with other templates that are related, e.g. F2. Moreover, for annuities a lot of the development will be after year 10.  Furthermore, the link to template F2, cells M1 to P35 should be explained in more detail and guidance given regarding the connection between these templates. | | Partially agree: further clarification made to log  Disagree. Undiscounted value for BE should be based on S2 valuation.  Partially agree: will be follow same amount of years as E3  Noted – Could be clarified later by NS |
| 642. | | Deloitte Touche Tohmatsu | | TP – F4- cell A1 |  More Guidance  is required in order to clarify which numbers should be entered into A0, A1 and A3, in particular in comparison to A5. E.g. which assumptions should be made in order to calculate the « undiscounted annuity claims provisions » and how they differ from the Best Estimate assumptions to be made for the calculation of A5. In addition, some local guidance, relating the entries required to the statutory annuity claims provisions potentially differing by jurisdiction would be helpful.   Depending on the clarification for the calculation of the undiscounted annuity claims provisions and on how the annuity calculations on a statutory basis are performed it may not be straightforward to calculate the undiscounted annuity claims provisions (i.e. to « switch off discounting »).   We suggest reconsidering the number of accident years included in the template and the subtotals in order to align it as far as possible with other templates that are related, e.g. F2. Moreover, for annuities a lot of the development will be after year 10.  Furthermore, the link to template F2, cells M1 to P35 should be explained in more detail and guidance given regarding the connection between these templates. | | Same as 641 |
| 643. | | Federation of Finnish Financial Services | | TP – F4- cell A1 | Where to put undiscounted annuity claims provisions released during year N? | | Clarified in LOG |
| 644. | | German Insurance Association (GDV) | | TP – F4- cell A1 | Annuities are normally not paid on a health product and if they are paid, they cannot be separated easily from the other payments.  Further clarification required:   Do the annuity payments also include benefits such as waiver of premium?   The method of calculation should be specified.   Is this amount meant to be an average or total amount?   Should the description of this cell refer to ‘annuities and other payments paid during the reporting year’?   Where should undertakings report annuity claims provisions released during year N? | | Disagree – the BE TP reserve should calculate the impact of health separately  Products would need to be assessed using clarification in L2 and further GL on TP  Same as above  Total amount, clarified in log  Disagree, A1 refers to provision set up, not payment  Clarified in LOG |
| 645. | | German Insurance Association (GDV) | | TP – F4- cell A2 |  Is it the case that Single Life, Joint First Death and last Survivor Annuities are required to be shown separately?   How should survivorship annuities be included? | | Products would need to be assessed using clarification in L2 and further GL on TP |
| 646. | | Deloitte Touche Tohmatsu | | TP – F4- cell A3 |  More Guidance  is required in order to clarify which numbers should be entered into A0, A1 and A3, in particular in comparison to A5. E.g. which assumptions should be made in order to calculate the « undiscounted annuity claims provisions » and how they differ from the Best Estimate assumptions to be made for the calculation of A5. In addition, some local guidance, relating the entries required to the statutory annuity claims provisions potentially differing by jurisdiction would be helpful.   Depending on the clarification for the calculation of the undiscounted annuity claims provisions and on how the annuity calculations on a statutory basis are performed it may not be straightforward to calculate the undiscounted annuity claims provisions (i.e. to « switch off discounting »).   We suggest reconsidering the number of accident years included in the template and the subtotals in order to align it as far as possible with other templates that are related, e.g. F2. Moreover, for annuities a lot of the development will be after year 10.  Furthermore, the link to template F2, cells M1 to P35 should be explained in more detail and guidance given regarding the connection between these templates. | | Partially agree: further clarification made to log  Disagree. Undiscounted value for BE should be based on S2 valuation.  Partially agree: will be follow same amount of years as E3  Noted – Could be clarified later by NS |
| 647. | | Deloitte Touche Tohmatsu | | TP – F4- cell A6 | Corresponds to run-off result for annuities on undiscounted basis. Discounting and the Best Estimate claim provision is not taken into account for the Test (in particular, if provisions were calculated with a discount rate then unwinding of the discount rate in provision during the year N is not considered.) Given the potentially long time-frames for annuities the outcome of the test (labelled as « Test for over-/underreserving ») needs to be interpreted with care, since not discounted. Moreover, outcome might be volatile for accident years with small number of annuity claims. A more intuitive test may be the comparison of the booked annuity claims provision with the best estimate annuity claims provision. | | Agree that what is shown may partially reflect run-off result, but this may help detect unusually large variances which could be indicative of under/overprovisioning,. Importantly, the template does not attempt to show what RM is. |
| 648. | | Deloitte Touche Tohmatsu | | TP – F4- cell B1 | More Guidance required, e.g. define what is meant exactly by the technical rate and what kind of average should be taken. | | This represents, on a portfolio basis, the assumption of amounts used by the specific undertaking, which form part of the product offered to the policyholder and would provide further analysis on the discount rate implied at a portfolio level. |
| 649. | | Deloitte Touche Tohmatsu | | TP – F4- cell C1 | More Guidance required. On what basis and with which assumptions should the duration be calculated, e.g. considering all closed claims from prior years or expected duration also of annuities still running ? | | This refers to components included in the template, incl running annuities as per year N, where a claim situation has arisen. This should be disclosed at a portfolio level. |
| 650. | | Association of British Insurers (ABI) | | TP – F4- cell D1 | The purpose of this item is given as ’Assess guarantees granted to the policyholders’.  It is difficult to see how this can be achieved without additional information regarding items such as the escalation rate for the annuities in question. The value of guarantees will be very sensitive to this. Therefore the weighted average age is of limited use and we question whether it is worth the additional effort that will be needed to calculate it. | | Disagree: But changed Better clarification in LOG how to calculate this information |
| 651. | | CFO Forum & CRO Forum | | TP – F4- cell D1 | The purpose of this item is given as ’Assess guarantees granted to the policyholders’.  It is difficult to see how this can be achieved without additional information regarding items such as the escalation rate for the annuities in question. The value of guarantess will be very sensitive to this. Therefore the weighted average age is of limited use and we question whether it is worth the additional effort that will be needed to calculate it. | | Disagree: But changed Better clarification in LOG how to calculate this information |
| 652. | | Deloitte Touche Tohmatsu | | TP – F4- cell D1 | Similar to B1 and C1. More Guidance required regarding choice of weighting and basis to use for average. | | Refer to com 648 |
| 653. | | CEA | | TP – F4- Costs | Please refer to cell TP – F4- General. | |  |
| 654. | | German Insurance Association (GDV) | | TP – F4- Costs | Please refer to cell TP – F4- General. | |  |
| 655. | | The Directorate General Statistics (DG-S) of the E | | TP – F4- Frequency | Please refer to BS-C1 – Frequency | |  |
| 656. | | AMICE | | TP – F4- General | Information on annuities stemming from Non-Life Insurance obligations  It will be a huge burden to have to produce historical data for 10 years only for this template. There is a need for a transitional period before reporting a full template.  Moreover, companies do not usually produce the information requested by accident year but by underwriting year. | | Agree: changed to only report data and start with solvency 2 years as in E3  Follow decision made in E3 that AY or UY be decided by National level |
| 657. | | CEA | | TP – F4- General | Please refer to cell TP-F3A- General.  We don’t understand why, being a Life LOB, information for Annuities stemming from non-life are required for a template, appropriate for a non-life LOB.  As for all technical provisions templates, we propose to remove any obligation to report by AY or UWY. This should be determined by the undertaking.  Annuities stemming for non-life business are modelled and managed jointly, in the same manner, irrespective of whether they come from Motor TPL, general TPL or others. We suggest removing the requirement for a split by LOB. In addition, we do not agree with the proposed required that the best estimate be reported per LOB. At maximum, this should be reported at entity level.  Reporting of historical data will be problematic, especially in the immediate years following entry into force. We propose to reduce the number of years in this template to 5 years as a standard requirement, with no requirement to report historical data during an initial transitional period.  Claims Movements should be limited to direct business only. Reinsurers do not receive this level of claims information from their cedents. This would then be consistent with E6 (Loss Distribution Profile). We do not consider that this template would apply to many reinsurers.  According to LOG the released annuity claims provisions (and annuity IBNR) do not fit to any column A0-A5.  As with many templates in the technical provisions category, the LOB/currency mix could result in a large number of combinations for this template. | | Disagree - This template covers annuities stemming from NL business, not Life annuities  Disagree: Follow decision made in E3 that AY or UY be decided by National level  Disagree. BE should be calculated consistently with the requirements of S2 and should be based on S2 valuation  Agree: changed to only report data on solvency 2 years as in E3  It is clearly stated in General Comments of Log that this template should be filled for direct business only, i.e. the template is not applicable to Accepted Reinsurance LoBs  Clarified in LOG  Released annuity claims provisions are not disclosed explicitly but their effect is included in column “Undiscounted annuity claims provisions at the end of year N“.  Noted – will be consistent with E3 |
| 658. | | Deloitte Touche Tohmatsu | | TP – F4- General | If the criteria set out in document „TP (L) - F4 LOG.doc” (see item “Currency”) are met, sheet F4 needs to be filled for each LoB and each currency as well as for the total per LoB. For a company operating with several „settlement currencies”, e.g. reinsurance companies, this would mean substantial effort. (This comment assumes that the template relates to both insurers and reinsurers , since no specific templates for reinsurers exist. Clarification on this point would also be helpful, since the first cell of the Definition of the “TP (L) – F4 LOG.doc” says that “Template should be filled for direct business only.” which may lead to confusion in the context of reinsurance companies.) | | In relation to comments on currency, refer 657. Note that accepted reinsurance is not covered by template and comment on reinsurers would not be applicable in this case, as the template only covers DB, unless the reinsurer is not a pure reinsurer but also underwrites DB NL LOBs, with NL annuities. This is specifically stated in the log. |
| 659. | | Federation of Finnish Financial Services | | TP – F4- General | According to LOG the released annuity claims provisions (and annuity IBNR) do not fit to any column A0-A5.  There seems to be missing a column for “Undiscounted annuity provisions released during year N”  It is understandable, that the relating non-life line of business would give information to where such annuities arise. However, such information may prove out to be difficult as additional field to database should be needed.  More details should be assigned to how the number of annuities, average technical rate in year N, the average duration of the obligations and weighted average age of beneficiaries are calculated. Is the age for example the age of beneficiaries at the date of report (for example 31.12.2015), or at the date of accident, or another definition?  It is required to modify existing systems to calculate the annuity claims provisions set up during year N, as the value should correspond to the date of setting up the reserve. At least at the beginning it should be allowed to value such annuities as the end of year N. | | Clarified in LOG  Clarified in LOG  Noted  Agree: clarified in LOG  Noted |
| 660. | | German Insurance Association (GDV) | | TP – F4- General | Please refer to cell TP - F3A- General.  We don’t understand why, being a Life LOB, information for Annuities stemming from non-life are required for a template, appropriate for a non-life LOB.  As for all technical provisions templates, we propose to remove any obligation to report by AY or UWY. This should be determined by the undertaking.  Annuities stemming for non-life business are modelled and managed jointly and in the same manner, disregarding if they come from Motor TPL, general TPL or others. We suggest removing the requirement for a split by LOB.  We do not agree with the proposed required that the best estimate be reported per LOB. This should be reported at entity level.  Also, reporting of historical data will be problematic, especially in the immediate years following entry into force. We propose to reduce the number of years in this template to 5 years as a standard requirement, with no requirement to report historical data during an initial transitional period.  Claims Movements should be limited to direct business only. Reinsurers do not receive this level of claims information from their cedants. This would then be consistent with E6 (Loss Distribution Profile).  According to LOG the released annuity claims provisions (and annuity IBNR) do not fit to any column A0-A5.  As with many templates in the technical provisions category, the LOB/currency mix could result in a large number of combinations for this template.  It is possible that some annuities of this nature could exist in a reinsurer’s portfolio. Anyway, the reinsurer does not currently face annuity payments, due to which, in the case it is a “pure” reinsurer (underwriting only reinsurance business) it will not have this template’s information at its disposal. Due to that, the pure reinsurer should be permitted not to fill this template.  We strongly recommend to delete/review this template. | | Refer to answer 657  Note that accepted reinsurance is not covered by template and comment on reinsurers would not be applicable in this case, as the template only covers DB, unless the reinsurer is not a pure reinsurer but also underwrites DB NL LOBs, with NL annuities. This is specifically stated in the log.  Noted |
| 661. | | Groupe Consultatif | | TP – F4- General | Talk of technical rates on these annuities, this might not exist as in some countries often taking on an obligation to pay a stream of payments | | Not sure fully understood what meant by comment “some countries often taking on an obligation” – if mean a life annuity company may receive payment from NL provider to assume obligation, refer comments in Log on how to treat lump sum payments see General comments |
| 662. | | ING Group Data modelling team | | TP – F4- General | Are Life and Health non-SLT both included in this report on Annuities stemming form Non-Life? Do we need to distinguish between Life and Health (separate sheets)? | | This template excludes Life products and includes non-life annuities from claims |
| 663. | | PwC | | TP – F4- General | • Guidance on the types of products falling into this category may be useful to undertakings completing this template. | | Products would need to be assessed using clarification in L2 and further GL on TP |
| 664. | | The Directorate General Statistics (DG-S) of the E | | TP – F4- Groups | Please refer to BS-C1 – Groups | |  |
| 665. | | CEA | | TP – F4- Materiality | We appreciate EIOPA’s proposal to apply a materiality threshold to deal with a split by material currencies however we would propose to remove the requirement for a split by currency altogether.  The LOB/currency mix could result in a large number of combinations for this template. | | Noted - Approach to materiality will be consistent to that of E3  Noted |
| 666. | | German Insurance Association (GDV) | | TP – F4- Materiality | We appreciate EIOPA’s proposal to apply a materiality threshold to deal with a split by material currencies. We would also propose to remove the split .  Please refer to cell TP – F4- General, for an expanded justification. | | Noted - Approach to materiality will be consistent to that of E3 |
| 667. | | CEA | | TP – F4- Purpose | Please refer to cell TP – F4- General. | |  |
| 668. | | German Insurance Association (GDV) | | TP – F4- Purpose | Please refer to cell TP – F4- General. | |  |
| 669. | German Insurance Association (GDV) | | | TP –E1- cells A10-P10 | See comment TP – E1 – ells A9-P9 | |  |
| 670. | German Insurance Association (GDV) | | | TP –E1- cells A11-P11 | See comment TP – E1 – ells A9-P9 | |  |
| 671. | German Insurance Association (GDV) | | | TP –E1- cells A12-P12 | See comment TP – E1 – ells A9-P9 | |  |
| 672. | CEA | | | TP –E1- cells A14-L14 | Please refer to TP –E1- cells A5-P5. | |  |
| 673. | German Insurance Association (GDV) | | | TP –E1- cells A14-L14 | Please refer to TP –E1- cells A5-P5. | |  |
| 674. | Thomas Miller & Co Ltd | | | TP –E1- cells A14-L14 | We will be grateful for more detailed guidance on the definition of claims provisions. In particular, does claims provisions include premiums due relating to claims that have already occurred (in other words premium receivable), or should these amounts be included in the premium provisions amount. Including these amounts in the premium provision seems to be counter intuitive, as premium provision relates to claims events occurring in the future. As an alternative, these amounts can just stay as a premium receivable balance on the face of the balance sheet and not be included in the technical provisions figure., although these are future cash flows to be received. | | This is not a reporting issue, requirement for the calculation of TP should be applied. |
| 675. | Groupe Consultatif | | | TP -E1- cells A18-P18 | The differentiation in different types of recoverables in line 17 – 19 is not helpfully. An insurer can only give an assumption of the profit margin of the requested reinsurance type. Therefor line 16 should be sufficiently. | | Draft L2requires a separate calculation and there’s not reason for not reporting it separately. |
| 676. | CEA | | | TP -E1- cells A25-P25 | Risk margins for each LOB must reflect diversification benefits in order for the sum in Q22 to be correct. It is unclear from the template how this adjustment should be proportioned across each LOB.  The risk margin should be calculated at entity level only; to split per LOB is an added complexity for the purpose of supervisory reporting only. Reporting the risk margin per LOB will be complicated and will require a significant effort; this adds complexity for the purpose of supervisory reporting only.  We acknowledge that the current L2 Measures could be understood that technical provisions should be calculated by LOB. However, we should keep in mind that if the risk margin should be allocated by LOB it will be using proxies that are not especially relevant (please see what happened during the QIS 5 exercise where undertakings allocated their risk margin proportionally to the Best Estimate). To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin. | | The allocation of the risk margin to the line of business is required by (draft) L2 (art. |
| 677. | German Insurance Association (GDV) | | | TP -E1- cells A25-P25 | Risk margins for each LOB must reflect diversification benefits in order for the sum in Q22 to be correct. It is unclear from the template how this adjustment should be proportioned across each LOB.  The risk margin should be calculated at entity level only; to split per LOB is an added complexity for the purpose of supervisory reporting only. Reporting the risk margin per LOB will be complicated and will require a significant effort; this adds complexity for the purpose of supervisory reporting only. To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin. | | See answer to comment n. 676 |
| 678. | KPMG | | | TP –E1- cells A25-P25 | The risk margin is calculated in aggregate – we suggest that the method to allocate the risk margin to LoBs is included (both in the Annual and Quarterly submission) | | **Agree**: requirement included in the narrative reporting. |
| 679. | Groupe Consultatif | | | TP -E1- cells A29-P29 | The differentiation in different types of recoverables forces the undertakings to make different models for each item. Normaly the reinsaurance program should be regarded as a complete cover with different components. This induce a more general approach of recoverable modeling. . Therefor line 27 should be sufficiently. | | See answer to comment n. 675 |
| 680. | RSA Insurance Group plc | | | TP –E1- cells A29-P29 | We presume the only requirements here will be contained in the Level 2 text and that there will be no further requirements imposed. If this is not correct, undertakings should be informed as soon as possible of what is intended to be sought, regardless of the Level 2 text (although this would have to be evaluated for reasonableness), so that they may be able to plan accordingly. | | Agree: the reporting requirement are based on L2 requirement, except some specific cases where information are needed for supervisory purposes. |
| 681. | CEA | | | TP -E1- cells A2-L2 | This comment applies to cells A2 – Q22.  Further clarification required:   We find it unclear how recoverables from reinsurance, SPV and finite reinsurance should be calculated for the best estimate premium provisions. | | This is not a reporting issue. |
| 682. | CFO Forum & CRO Forum | | | TP -E1- cells A30-P30 | HRG (homogeneous risk group), in international reinsurance, we will need many HRG due to the nature of the business. We need to study in detail the definition of HRG but it could results in having hundreds of HRG. Clarity is required on whether each one should be reported | | HRG (homogenous risk groups), being linked to the risk profile of the undertakings’ obligations, is an undertakings specific segmentation and is the unit of account for the calculation of TP, then there is no reason for not reporting the requested (basic) information (1) Y/N and the number of HRG) |
| 683. | German Insurance Association (GDV) | | | TP -E1- cells A30-P30 | As the breakdown to HRGs is required for life and non-life technical provisions, some guidance as to how granular the HRGs need to be would be highly appreciated.  This comment also applies to cells A31-P31, A32-P32, A33-P33 of TP-E1 | | See answer to comment n. 682 |
| 685. | PwC | | | TP -E1- cells A30-P30 |  | |  |
| 687. | German Insurance Association (GDV) | | | TP -E1- cells A31-P31 | See comment TP – E1 – cells A30-P30 | |  |
| 688. | German Insurance Association (GDV) | | | TP -E1- cells A32-P32 | See comment TP – E1 – cells A30-P30 | |  |
| 690. | KPMG | | | TP -E1- cells A32-P32 | Further segmentation: Not clear whether this should contain a complete breakdown of segmentation as used for reserving – for instance for certain lines of business it is typical to reserve certain large claims differently to smaller claims. The binding insurance contracts in these cases can be identical. | | See answer to comment n. 682 |
| 691. | German Insurance Association (GDV) | | | TP -E1- cells A33-P33 | See comment TP – E1 – cells A30-P30 | |  |
| 693. | CEA | | | TP -E1- cells A34-P34 | BELs are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the BELs due to differences in averaging.  A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. It should be sufficient to report the gross best estimate total instead of per ‘cash in-flow’ and ‘cash out-flow’ for businesses modelled using simplifications or without cash-flow projection. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient.  We support that EIOPA has included “recoverables from salvages and subrogations” in “other cash-in flows”. Data on “recoverables from salvage and subrogation” may not be readily available for all LOB and business units, as figures net of salvage and subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems. This is consistent with the approach in template TP – E2.  We believe that the data may often be too scarce for statistical methods to be reliable.  Further clarification required:   We assume that this equals cash flows discounted to present value, for best estimate cash flows, and can be derived from or consistent with TP-E2 tab?   Also, the sum of items A33 to A37 should equal (A2 + A3)?   Supervisory guidance would be helpful in determining what exactly is required and how the templates and cells link together for data collection purposes. | | Agree: the LOG was modified to clarify that: “In case of use of stochastic methodology for the cash-flow projection, undertakings are required to report the average scenario”  The movement to a CF approach is the pillar of SII calculation of TP.  Noted  Agree: the LOG was modified to clarify that in E1 CF will be discounted to take into account the time value of money, while in E2 they won’t discounted. |
| 694. | Federation of Finnish Financial Services | | | TP -E1- cells A34-P34 | We would need costly changes in the recovery process, pricing and related systems if we must separate the recourse and any recovery cash flows from the cash flows. We do the pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well). | | This is not a reporting issue, requirement for the calculation of TP should be applied. |
| 695. | German Insurance Association (GDV) | | | TP -E1- cells A34-P34 | BELs are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the BELs due to differences in averaging.  A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. It should be sufficient to report the gross best estimate total instead of per ‘cash in-flow’ and ‘cash out-flow’ for businesses modelled using simplifications or without cash-flow projection. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient.  We support that EIOPA has included “recoverables from salvages and subrogations” in “other cash-in flows”. Data on “recoverables from salvage and subrogation” may not be readily available for all LOB and business units, as figures net of salvage and subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems. This is consistent with the approach in template TP – E2.  We believe that the data may often be too scarce for statistical methods to be reliable.  Further clarification required:   We assume that this equals cash flows discounted to present value, for best estimate cash flows, and can be derived from or consistent with TP-E2 tab?   Also, the sum of items A33 to A37 should equal (A2 + A3)?   Supervisory guidance would be helpful in determining what exactly is required and how the templates and cells link together for data collection purposes. | | See answer to comment n. 693  See answer to comment n. 693  See answer to comment n. 693  See answer to comment n. 693 |
| 697. | KPMG | | | TP -E1- cells A34-P34 | The benefit of requesting this information is not clear – suggest requesting details of duration of cashflows (thereby giving a quick overview of the length of time to average claim payment as well as a feeling of the uncertainty). | | It is required to report detail of CF used to calculate TP. |
| 698. | RSA Insurance Group plc | | | TP -E1- cells A34-P34 | It is not clear for vanilla non-life insurers as to the use to which these data will be put. One does not have to separate the cash inflows and outflows in order to value the technical provisions, so there ought to be no need to separate them out for disclosure purposes. We suggest that these four rows be collapsed into one row only. | | Do not agree, the movement to a CF approach is the pillar of SII calculation of TP. |
| **700.** | **CEA** | | | **TP -E1- cells A35-P35** | **Costly changes would be required in the recovery process, pricing and related systems if it is required to separate the recourse and any recovery cash flows from the cash flows. Many undertaking perform pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well).** | | The separate projection of different type of Cash in/out flows is a new and important requirement of he calculation of TP under SII. The reference to the current reserve process – under SI – is not a good arguments with regards to SII requirements. |
| 701. | Federation of Finnish Financial Services | | | TP -E1- cells A35-P35 | We would need costly changes in the recovery process, pricing and related systems if we must separate the recourse and any recovery cash flows from the cash flows. We do the pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well). | | See answer to comment n. 700 |
| 702. | German Insurance Association (GDV) | | | TP -E1- cells A35-P35 | Costly changes would be required in the recovery process, pricing and related systems if it is required to separate the recourse and any recovery cash flows from the cash flows. Many undertaking perform pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well). | | See answer to comment n. 700 |
| 705. | CEA | | | TP –E1- cells A36-P36 | Please refer to TP – E1 – cells A35 – P35. | |  |
| 706. | Danish Insurance Association | | | TP –E1- cells A36-P36 | The headline of this section is “Best Estimate of claims provision” the subsection however relates to future premiums, and hence a proper headline would be “best estimate of premium provisions” | | The same requirement for the Best Estimate of Premium Provision was added. |
| 707. | Federation of Finnish Financial Services | | | TP -E1- cells A36-P36 | We would need costly changes in the recovery process, pricing and related systems if we must separate the recourse and any recovery cash flows from the cash flows. We do the pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well). | | This is not a reporting issue, the requirement for the calculation of TP should be applied. |
| 708. | German Insurance Association (GDV) | | | TP -E1- cells A36-P36 | Please refer to TP – E1 – cells A35 – P35. | |  |
| 710. | AMICE | | | TP -E1- cells A39-P39 | Use of simplified methods and techniques to calculate technical provisions  EIOPA requests undertakings to detail whether a related item in technical provisions was calculated using simplifications. Most cases the risk margin is computed using simplifications.  More guidance is needed on the type of requested information with regards to simplifications. | | This section was deleted and the requirement is now included in the narrative reporting. |
| 711. | German Insurance Association (GDV) | | | TP -E1- cellss A2-L2 | This comment applies to cells A2 – Q22.  Further clarification required:   It was unclear how recoverables from reinsurance, SPV and finite reinsurance should be calculated for the best estimate premium provisions.   Supervisory guidance on how to calculate expected losses due to counterparty default would be welcome | | See the highlighted issues’ document |
| 712. | Association of British Insurers (ABI) | | | TP -E1- cellss A37-P37 | The requirement for salvages and subrogations to be included with cash-flows has been removed from TP-E2, but is still present in TP-E1; therefore the requirement to produce data at this granularity still exists. The granularity requirements of TP-E1 should reflect those required for the cashflows of TP-E2 | | : S&S are not required separately (as in the pre-consultation version) but are included in Other cash-in flows (see A37-Q37 cells). Stakeholders comments already taken on board. |
| **713.** | **CEA** | | | **TP -E1- cellss A37-P37** | **Please refer to TP – E1 – cells A35 – P35.**  **Data in this particular split/specification for the split of salvage and subrogation and other cash inflows within claims paid, RBNS and best estimate of claims provision is not presently used in the processes of calculating and assessing the technical provisions. It does not seem reasonable that the reserving processes should be changed for reporting purposes only. For business use, it would not be necessary to change the underlying actuarial models.** | | The separate projection of different type of Cash in/out flows is a new and important requirement of the calculation of TP under SII. The reference to the current reserve process – under SI – is not a good arguments with regards to SII requirements. |
| 714. | Federation of Finnish Financial Services | | | TP -E1- cellss A37-P37 | We would need costly changes in the recovery process, pricing and related systems if we must separate the recourse and any recovery cash flows from the cash flows. We do the pricing based on the “net” cash flows (not splitting cash flows to out- and in-flows itself or splitting aforementioned two cash-flows to sub-groups as well). | | This is not a reporting issue, the requirement for the calculation of TP should be applied. |
| 715. | German Insurance Association (GDV) | | | TP -E1- cellss A37-P37 | Please refer to TP – E1 – cells A35 – P35. | |  |
| 717. | RSA Insurance Group plc | | | TP -E1- cellss A37-P37 | Salvage and subrogation is not normally considered separately in general insurance, so identifying such amounts will be onerous. Indeed, the draft L2 text (Article 21bis, November 2011 draft Level 2 text) does not require such amounts to be valued separately from other cashflows when calculating technical provisions.  During our recent dry-run exercise, none of our operations were able to produce these data within the allotted time: this was not surprising, given that such data are not required at all for running the business and is not expected to be needed for such purposes under Solvency II either.  These requirements ought not to go beyond the regulatory text. We believe that, if reserves are to be calculated net of salvage and subrogation, disclosure should also reflect this. | | S&S are not required separately (as in the pre-consultation version) but are included in Other cash-in flows (see A37/Q37 and A41/P41 cells). Stakeholders comments already taken on board. |
| 718. | CEA | | | TP -E1- cellss A38-P38 | TP – F1 does not include a requirement to report on the use of simplified methods. We support the use of simplified methods and therefore propose to also include these rows in TP – F1. | | This section was deleted and the requirement is now included in the narrative reporting. |
| 719. | Federation of Finnish Financial Services | | | TP -E1- cellss A38-P38 | The life template does not include a requirement to report on the use of simplified methods. should be deleted also from the non-life templates! | | This section was deleted and the requirement is now included in the narrative reporting. |
| 720. | German Insurance Association (GDV) | | | TP -E1- cellss A38-P38 | It is not clearly defined, what is understood as simplification regarding the calculation of technical provisions. Therefore, the information that should be provided within this template is not clear and maybe not comparable. | | This section was deleted and the requirement is now included in the narrative reporting. |
| 721. | RSA Insurance Group plc | | | TP -E1- cellss A39-P39 | It is not clear how this this cell is to be completed out if simplified methods are used for more than one homogeneous risk group within a particular LoB. In practice, the use of a drop-down box will simply not work. We instead recommend leaving a valuation box (e.g. row A40-Q40 only) here rather than trying to ascribe the simplification to one item.  The LOG is incorrect and needs to split “Risk Margin” into a fifth option and “Other” into a sixth. | | This section was deleted and the requirement is now included in the narrative reporting. |
| 723. | CEA | | | TP -E1- cellss A41-L53 | Analysing the gross best estimate based on localisation of risk will be incredibly difficult to split out, in the same way that data on technical provisions are not available by counterparty.  In some instances, reserves are currently not calculated at geographical location of risk level therefore the specific geographical location of risk is not available for several lines of insurance and reinsurance business written, notably marine and transit. It was thought that risk mitigation and risk clash monitoring, included in the qualitative reporting requirements, would be of more value to the Supervisor. | | BE by country according to localisation of risk is required only for 5 LoBs (“Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship”) out of 12, where it seems more appropriate; for the other 7 LoBs country of underwriting is required.  The split is only for the direct business.  No data on the counterparty of TP are required. |
| 724. | Federation of Finnish Financial Services | | | TP –E1- cellss A41-L53 | Localisation of risk will be difficult to split out, in the same way that data on technical provisions are not available by counterparty. We would ask that this requirement be removed (see CEA note). For example marine insurance. | | See answer to comment n. 723 |
| 725. | German Insurance Association (GDV) | | | TP –E1- ells A41-L53 | Analysing the gross best estimate based on localisation of risk will be incredibly difficult to split out, in the same way that data on technical provisions are not available by counterparty.  In some instances, reserves are currently not calculated at geographical location of risk level therefore the specific geographical location of risk is not available for several lines of insurance and reinsurance business written, notably marine and transit. It was thought that risk mitigation and risk clash monitoring, included in the qualitative reporting requirements, would be of more value to the Supervisor. | | See answer to comment n. 723. |
| 726. | RSA Insurance Group plc | | | TP -E1- cellss A41-L53 | This analysis of the gross best estimate based on localisation of risk is too granular. Some member states currently ask for a grouping of locations instead, resulting in more simplified reporting. | | See answer to comment n. 723. |
| 727. | Thomas Miller & Co Ltd | | | TP -E1- cellss A41-L53 | When insuring movable risks, best estimate by country is not as clear cut as immovable risks. Ships for example can be any place in the world at any given time. As a result, clarification on how to approach the localization of risk requirement will be helpful. | | See answer to comment n. 723. |
| 728. | CEA | | | TP -E1- cellss A5-P5 | We question the value of including information “before the adjustment for expected losses due to counterparty default”. This information is included in the reinsurance templates therefore we would request that undertakings report the figure after adjustments are made. | | The adjustment (for the expected losses due to the default of the counterparty) is not a reporting burden but a specific requirement of SII, important to assess the reduction ratio applied by the undertaking. |
| 729. | German Insurance Association (GDV) | | | TP -E1- cellss A5-P5 | We question the value of including information “before the adjustment for expected losses due to counterparty default”. This information is included in the reinsurance templates therefore we would request that undertakings report the figure after adjustments are made. | | See answer to comment n. 728. |
| 731. | Thomas Miller & Co Ltd | | | TP -E1- cellss A5-P5 | Typically, technical provisions are not segregated between direct and reinsurance accepted business, which could mean a significant cost proportional to the activities of the insurer. | | This is not a reporting issue, the requirement for the calculation of TP should be applied. |
| 732. | German Insurance Association (GDV) | | | TP –E1- cellss A9-P9 | The required breakdown of the technical provisions is often too granular and full compliance will be highly expensive, without yielding any benefits to the undertaking. In practice, the required break down of the technical provisions prescribes a valuation approach, in particular in terms of data granularity and segmentation at which valuation is performed, which is often in conflict with standard industry practices.  At the minimum a breakdown should be limited to line of business and gross best estimates, since everything else will be highly impractical. For instance a further breakdown of risk margins and potential losses from counterparty default is contrary to the idea that these are portfolio level items, where a breakdown to line of business does not yield additional information.  This comment also applies to cells A10-P10, A11-P11, A12-P12 of TP-E1. | | Data necessary and requested for the calculation of TP are required in E1. |
| 733. | | Deloitte Touche Tohmatsu | | TP -F2- cells CH1 –CH35 | Further clarification with regard to the scope and definition of undiscounted projected cash flows specific for SLT and Non-SLT Health Insurance in some jurisdictions would be helpful. | | Noted- clarification in L2 and further GL on TP |
| 734. | | Federation of Finnish Financial Services | | TP -F2- cells CH1 –CH35 | See above | | Noted- clarification in L2 and further GL on TP |
| 735. | | Federation of Finnish Financial Services | | TP -F2- cells CU1 – CU35 | This overlaps with column DU. | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 736. | | Federation of Finnish Financial Services | | TP -F2- cells D1-D35 | Including the additional resulting cash flows from the future premiums this line seem to be EPIFP without the restrictions to positive HRG’s.  This line has overlap with C- and F-columns. If the overlap is removed and only the future premiums are reported then this kind of information leaves it open the real impact of the future premiums. | | Disagree – We don’t see any overlap and no detailed explanation to clarify the problem |
| 737. | | Deloitte Touche Tohmatsu | | TP -F2- cells DH1 –DH35 | Further clarification with regard to the scope and definition of undiscounted projected cash flows specific for SLT and Non-SLT Health Insurance in some jurisdictions would be helpful. | | Noted- clarification in L2 and further GL on TP |
| 738. | | Federation of Finnish Financial Services | | TP -F2- cells DH1 –DH35 | See above | | Noted- clarification in L2 and further GL on TP |
| 739. | | Federation of Finnish Financial Services | | TP -F2- cells DU1 – DU35 | Including the additional resulting cash flows from the future premiums this line seem to be EPIFP without the restrictions to positive HRG’s.  This line has overlap with CU- and FU-columns. If the overlap is removed and only the future premiums are reported then this kind of information leaves it open the real impact of the future premiums. | | Disagree – We don’t se any overlap and no detailed explanation to clarify the problem |
| 740. | | Federation of Finnish Financial Services | | TP -F2- cells F1-F35 | This overlaps with column D. | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 741. | | Deloitte Touche Tohmatsu | | TP -F2- cells FH1 –FH35 | Further clarification with regard to the scope and definition of undiscounted projected cash flows specific for SLT and Non-SLT Health Insurance in some jurisdictions would be helpful. | | Noted- clarification in L2 and further GL on TP |
| 742. | | Federation of Finnish Financial Services | | TP -F2- cells FH1 –FH35 | See above | | Noted- clarification in L2 and further GL on TP |
| 743. | | Federation of Finnish Financial Services | | TP -F2- cells FU1 – FU35 | This overlaps with column DU. | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 744. | | Federation of Finnish Financial Services | | TP -F2- cells J1 –J35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 745. | | Federation of Finnish Financial Services | | TP -F2- cells K1 –K35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 746. | | Federation of Finnish Financial Services | | TP -F2- cells L1 –L35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 747. | | Federation of Finnish Financial Services | | TP -F2- cells N1 –N35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 748. | | Federation of Finnish Financial Services | | TP -F2- cells O1 –O35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 749. | | Federation of Finnish Financial Services | | TP -F2- cells P1-P35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 750. | | Federation of Finnish Financial Services | | TP -F2- cells R1 –R35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 751. | | Federation of Finnish Financial Services | | TP -F2- cells S1 –S35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 752. | | CEA | | TP -F2- cells T1 –T35 | We assume that recoverables from intra-group retrocession are included in this column. | | Correct. Further disaggregation of IG is introduced in Group specific templates. |
| 753. | | Federation of Finnish Financial Services | | TP -F2- cells T1 –T35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 754. | | German Insurance Association (GDV) | | TP -F2- cells T1 –T35 | We assume that recoverables from intra-group retrocession are included in this column. | | Correct. Further disaggregation of IG is introduced in Group specific templates. |
| 755. | | Deloitte Touche Tohmatsu | | TP -F2- cells U1 – U35 | Further clarification with regard to the scope and definition of undiscounted projected cash flows specific for SLT and Non-SLT Health Insurance in some jurisdictions would be helpful. | | Noted- clarification in L2 and further GL on TP |
| 756. | | Federation of Finnish Financial Services | | TP -F2- cells X1 – X35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 757. | | Federation of Finnish Financial Services | | TP -F2- cells Y1-Y35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 758. | | Federation of Finnish Financial Services | | TP -F2- cells Z1- Z35 | See above | | Disagree – We can´t find overlap and no other stakeholder commented on this |
| 759. | CEA | | | TP-E1- cells A1-P1 | Clarification is required on whether this is calculated gross or net of reinsurance. If it is gross, then it is unclear how the reinsurance element is reported for derivation of net provisions.  \*\*\*  More clarification is required regarding Solvency II LOBs on “medical expenses insurance” and “income protection insurance”. Solvency II LOB classification is understood to be risk based. Does it mean as a result that medical expenses of, for example, MTPL are to be included in “medical expenses” in Solvency II LOB classification?  \*\*\*  Further guidance should be provided on how Workers’ Compensation should be reported in this template. In particular, whether EIOPA view this as a life or non-life LOB? | | The LOG is already clear on that.  In E1 is required to report according to the segmentation introduced by draft L2  Not a reporting issue |
| 760. | CEA | | | TP-E2- cells B1-B31 | A clear definition is required for future expenses and other cash outflows, for example the parts of overhead expenses that should be included. It is our opinion that future expenses should include those components that cannot be directly attributed to a particular claim. | | This isn’t a reporting issue, definition are included in SII requirements (L1 / L2 / L3). |
| 761. | CEA | | | TP-E3- cells A00 | By requesting information per LOB and currency (A04) could result in a large number of combinations, therefore this template would be reported multiple times. | | Already commented this topic (see answer to comment n. 192). |
| 762. | CEA | | | TP-E3- cells A01 | It was indicated that not every method used will have a specific name. A number of different actuarial methods may be used or considered when calculating claim provisions for a given LOB.  Is it to be assumed that more than one method can be listed? In such cases the list could run to several paragraphs as, for example, different methods could be used for different accident years. Tail factors may not be unique for all years. | | See other comment on this topic |
| 763. | CEA | | | TP-E3- cells A02 | Please refer to E3- cell A01. | |  |
| 764. | CEA | | | TP-E3- cells A04 | In the case of international received reinsurance i.e. multinational /worldwide, programmes could incorporate up to 100 different currencies. Separate triangulation in different currencies is not currently reported and we believe this would be unduly burdensome. Particularly for received reinsurance, we question the benefit to supervisors of splitting triangles by currency. We suggest reporting for different currencies when X% (to be determined) of the technical provision are reached, then report for all other currencies under “other currencies”  As a general comment on currency, we believe that economic currency and not settlement currency should be used here. This would be more appropriate for risk management purposes. | | A materiality threshold applies.  Do not agree |
| 765. | CEA | | | TP-E3- cells A17-A31-J16 | Salvage and subrogation should be included in claims paid:   Data on “Recoverable from salvage and subrogation” may not be readily available for all LOB and business units, as figures net of salvage and subrogation are entered on to claims systems. To obtain data in this case would therefore require potentially extensive and expensive changes in processes and systems.   For NL analysis, it is generally of very little additional benefit to separately report/analyse salvage and subrogation. Instead claims paid are analysed net of salvage and subrogation.   Separate reporting of this item could be very costly indeed since IT-systems generally are not designed to keep, separate, track of these.   We propose to delete salvage and subrogation and include it under claims paid.   Some undertakings manage provisions net of salvage and subrogations etc. Hence the detailed triangle are not compatible with how the risks are managed | | Agree: it was decided to deleted the triangle of S&S and to net them into the claims paid. |
| 766. | CEA | | | TP-E3- cells A1-A15-J0 | The LOG states gross claims paid should be gross of salvage/subrogation. Given that this data is not necessary to separate out for the calculation for the gross best estimate per the draft L2 text (it is just defined as being part of the gross best estimate), we would ask EIOPA to delete this requirement.  Increase in number of accident / underwriting years and development years too onerous and we do not believe it is sensible. | | Agree: it was decided to deleted the triangle of S&S and to net them into the claims paid. |
| 767. | CEA | | | TP-E3- cells A33-A47-J32 | Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.  Also, reinsurance recoveries are not usually done using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only one line (corresponding here to one column) for their reinsurance triangles. Moreover, reinsurance triangles are not used to calculate best estimate.  Due to the fact that development of reinsurance recoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including ecoverable development only in an overall basis. | | As pointed out in the LOG: “In case the segmentation for reinsurance recoverables don’t correspond to the one of gross Best Estimate, it is required to make an allocation according to the Solvency II Line of business”. |
| 768. | CEA | | | TP-E3- cells AE17-AE31-J0 | Data regarding Recoverable from salvage and subrogation may not be readily available for all LOB and business units due to figures net of salvage and subrogation being entered on to claims systems. To obtain this data would therefore require potentially extensive and expensive changes in processes and systems. We also questioned why salvage and subrogations would be split from gross payments. | | Agree: it was decided to deleted the triangle of S&S and to net them into the claims paid. |
| 769. | CEA | | | TP-E3- cells AE1-AE15-J0 | We interpret claims outstanding “claims outstanding” as the individual claims outstanding numbers, recorded on the claims system, rather than the best estimate figure.  We believe it is unclear whether this should be reduced by a standard actuarial exercise which effectively applies an increase or reduction to these estimates at a global rather than individual claim level.  Increase in number of accident / underwriting years and development years too onerous  and not sensible. | | The definition included in the LOG (based on actuarial guidelines) is clear enough:  “Provisions in respect of claim events that have happened and reported to the insurer, but have not yet been settled, excluding IBNR (incurred but not reported claims). These may be case-by-case reserves estimated by claim handlers and do not need to be on a best estimate Solvency II basis”. |
| 770. | CEA | | | TP-E3- cells AE33-AE47-J0 | Reinsurance recoveries are not always related to single claims. For example they might depend only on the development of a LOB.  Also, reinsurance recoveries are usually not calculated using triangles. It is very complicated to allocate the recoveries of one year by development year. The reinsurance part (and so the net one), should be only one line, reinsurance recoveries by year. For instance, undertakings doing their reporting under IFRS usually have only one line (corresponding here to one column) for their reinsurance triangles.  Due to the fact that development of reinsurance recoverables cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including recoverables development only in an overall basis. | | See general comments about reinsurance triangle. |
| 771. | CEA | | | TP-E3- cells P1-P15-J0 | For each of the claims provision triangles, the “year end” formula seems to be picking up the latest development year only. If each cell is collecting absolute data then the “year end” formula should be a total of all years (all cells in the triangle).  It is our understanding that “best estimate claims provisions” triangle refers to figures including IBNR (including IBNER) and outstanding claims i.e. unpaid claims. This would require the undertaking to backfill this triangle using prior years reserve projections. The prior accident year’s projection data are unlikely to be on a consistent basis (in terms of methodology) as that required under Solvency II. We would suggest excluding IBNR from this triangle.  We would expect this information to be quite volatile, depending on the LOB and occurrence of large losses / catastrophes. We therefore question if it is reasonable to separate out large losses and additional claims.  We ask to report undiscounted Best Estimate figures. This will ensure a better comparability between years (diagonals of the triangles) and a better comparability with the others triangles, without discounting.  The reference to undiscounted best estimates, but with a total on a discounted basis is very confusing. We query if this is equal to the RBNS claims + IBNR? If not, why not use the discounted Best Estimate. | | Not agree: it is correct to pick only the last diagonal (as is done in the template), as they represent the current provisions by accident year  For the definition of BE of claims provision, the reference should be L1 / L2 / L3 (this is not a reporting issue)  Agree, we required undiscounted figures (the name of triangle is “Gross undiscounted Best Estimate Claims Provisions”).  Triangle data are undiscounted and only a column require discounted data. |
| 772. | CEA | | | TP-E3- cells P33-P47-J32 | Due to the fact that development of reinsurance recoverable cannot be obtained in all occasions directly from data, highly burdensome calculations and estimations have to be made. We would suggest including ecoverable development only on an aggregate basis. | | see other comments to reinsurance triangle. |
| 773. | CEA | | | TP-E4- cells A1-A10 | The actuarial systems of some undertakings do not have the number of claims in their main tables. This will cause problems in collecting this data. | | We expected the information is collected in the IT-system of the undertakings (e.g. claims management system) and it can be collected from the first application of SII reporting, above all if general and basic information needed for provisioning/risk management purposes. |
| 774. | CEA | | | TP-E4- cells H1-H10 | We question the proposal to report specific information on claims settled without payment. We understand that the intention is to ensure undertakings do not “adjust” their results. We emphasise that for this purpose, the request to report re-opened claims is enough.  The information on claims settled without payment would be an onerous development for undertakings. We suggest merging the information requested disregarding the fact that the claim was settled without payment. The decision tree in the LOG does not show any added value for requesting this information. | | Already commented |
| 775. | CEA | | | TP-E4- cells K1-K10 | We assume that this cell also incorporates cell K11 and our response should be treated as such.  The data “gross payments where the claim remains open at the end of the year”, cannot be entered into these cells. Consequently, part-payments on current year claims are not reported anywhere in this template. Inclusion of this amount would allow this template to reconcile with the gross claims paid triangle in template TP – E3.  Clarification is required on whether this comment refers to both triangles “gross claims paid for development year” (cells A1/A10/J0) and “gross claims outstanding for development year” (cells U1/U10/AF0)? | | For a claim incurred during the reporting year, if the claim is closed, and consequently has been paid has to be filled in N11. If this claim is still open at the end of the reporting year and has not been fully paid, the part that has been paid has to be filled in k11 and the outstanding part in L11. |
| 776. | | CEA | | TP-F1 & F1Q- General | We would like to reiterate CEA’s key concerns with the technical provisions templates, detailed comments can be found in the corresponding cells:   The split within the segments, between contracts with options and guarantees and without, is not consistent with Level 2, or templates Cover-A1A and Cover-A1Q. Additional splits within the LOB segmentation will be very burdensome for undertakings to achieve.   The Gross Best Estimate split per country, where the risk is located, will not be applicable for certain LOB, for example life reinsurance.   It should not be required to split the Risk Margin by LOB, any split should be determined by the undertaking itself. Again, this is not a requirement of the draft Level 2 text and undertakings should be able to present this at their discretion, for example at entity level.  Clarification is required on whether workers compensation is a life LOB. For further details on this point, please refer to TP – E1 – General.  This template is complicated as it consists of many different values. Detailed guidance will be necessary on the reported values and their classifications. | | Noted  Noted  Agree: Only for direct business, clarified in lOG  Discussion TPSG  No – Decided by L2  Noted |
| 777. | | CEA | | TP-F1 & F1Q-Costs | The man hours required for implementation of these templates could amount to approximately 500 to 600 days; there are several reporting systems that would have to be extended and data systems/warehouses to store the information. On an ongoing basis, this could take approximately 50 to 100 days per year to maintain.  In order to fully judge the cost of completing these templates guidance relating to the use of roll-forward technical provisions figures should be determined. This should be resolved as soon as possible. | | Noted  Noted |
| 778. | | CEA | | TP-F1 & F1Q-Disclosure | We support EIOPA’s proposal that the simplified template F1Q is used for public disclosure but query whether the quarterly templates themselves will be disclosed or an annual version of the quarterly template. Please refer to the general comments section for our response on Q4 reporting. | | Annual version but only quarterly information |
| 779. | | CEA | | TP-F1 & F1Q-Frequency | The CEA appreciates that template F1Q is a simplified version of F1. This will help in the requirement to report the information quarterly. The use of approximations should still be accepted in quarterly reporting. We propose that a roll forward approach be used.  We question why the risk margin should be required on a quarterly basis as it is required for SCR calculations but not the MCR. For this reason, we propose to remove the risk margin from template F1Q or perhaps use an approximation based on last annual risk margin, for instance, keeping the same risk margin/BE ratio. | | Noted  Disagree: discussed but (se earlier answer) |
| 780. | | CEA | | TP-F1 & F1Q-Materiality | We appreciate EIOPA’s proposal to add a materiality threshold for reporting the gross best estimate for different countries (countries representing up to 90% of certain LOBs) however we find that the proposed templates are not consistent for life and non-life. The LOG states that for TP – E1 & E1Q, the materiality threshold of 90% applies to direct business and the respective LOB. Whereas the equivalent reporting requirement in TP – F1 & F1Q, the threshold applies only to the respective LOB. This inconsistency should be corrected. | | Agree: Changed in LOG to be consistent with E1 |
| 781. | | CEA | | TP-F1- cells A1 – A14 | This comment applies to TP – F1 cells A1 – A14.  It should be clarified in the definition whether this value should be gross or net of reinsurance. If it is gross of reinsurance then it is unclear how the reinsurance element is included for derivation of net provisions, we therefore assume it is net of reinsurance. | | Agree: Clarified to be net of reinsurance |
| 782. | | CEA | | TP-F1- cells B1 – B14 | This comment applies to TP – F1 – cells B1 – B1F.  We question the benefit of splitting between “cash out” and “cash in” flows. We recognise that there is a need to perform this split in the modelling of the reserves; however it is unclear why these splits should be reported in the proposed template.  BELs are evaluated using stochastic projections. It is unclear whether cash flows should be reported as deterministic cash flows based on one average scenario (certainty equivalent) or as the average of the stochastic projection. If it should be the stochastic average, then, the average claims, the average premiums and the average expenses do not need to sum up exactly to the best estimate liabilities, due to differences in averaging.  A lot of effort would be required in the development and ongoing maintenance of such reporting requirements. The reserving methods are audited, and covered through the governance and internal control procedures, and in the ORSA, which should be sufficient. Cash inflows and outflows could be required in special cases of supervision.  It should be sufficient to report the gross best estimate total instead of per “cash in-flow” and “cash out-flow” for businesses modelled using simplifications.  Further clarification required:   If the undertaking pays policyholder taxes, should this be included in claims?   The exact definition of “guaranteed benefits” for participating business is still unclear; it would be particularly difficult to separately evaluate the profit participation based on modelled returns over minimum guaranteed returns.   Clarification on “other cash flows” is necessary.   A clear definition of options and guarantees in health insurance contracts is needed. For example, are deferred benefits or the possibility to change the insurer options?   More guidance regarding the definition of cash flows (e.g. discretionary benefits, costs, gross or net positions) are needed. | | No clarification in LOG as this should be stated in L2 and guidelines how to do this.  Noted  Disagree: Need information to follow up by LoB on BE |
| 783. | | CEA | | TP-F1- cells BC1 – BC13 | We question the usefulness of split in lines BC-BF and question why the future cash flows in template TP – F2 are not sufficient. | | Disagree: Discussed but decided to keep as not same information |
| 784. | | CEA | | TP-F1- cells BD1 – BD13 | Please refer to TP – F1 – cells BC1 – BC13. | | Disagree: not same information |
| 785. | | CEA | | TP-F1- cells BF1 – BF13 | Please refer to TP – F1 – cells – BC1 – BC13. | | Disagree: not same infomation |
| 786. | | CEA | | TP-F1- cells C1 – C14A | Please refer to TP-F1- cells CB1 – CB14A. | | Disagree: not same infomation |
| 787. | | CEA | | TP-F1- cells CB1 – CB14A | We question the value of including information “before the adjustment for expected losses due to counterparty default”. This information is included in the Reinsurance templates therefore we would request that undertakings report the figure after adjustments are made. | | Disagree. Information in F-templates refer to SCr calculation. Reinsurance templates provide additional qualitative data on reinsures used |
| 788. | | CEA | | TP-F1- cells CC1 – CC14 | Please refer to TP-F1- cells CB1 – CB14A. | | Disagree. Information in F-templates refer to SCr calculation. Reinsurance templates provide additional qualitative data on reinsures used |
| 789. | | CEA | | TP-F1- cells CD1 – CD14A | Please refer to TP-F1- cells CB1 – CB14A. | | Disagree. Information in F-templates refer to SCR calculation. Reinsurance templates provide additional qualitative data on reinsures used |
| 790. | | CEA | | TP-F1- cells E1 – E13 | The allocation of the risk margin per LOB would be meaningless for reporting purposes, we propose to report at entity level only.  If the risk margin should be allocated by LOB it will be using proxies (e.g. during the QIS 5 exercise undertakings allocated their risk margin proportionally to the Best Estimate). To avoid reporting approximated and potentially misleading information we would suggest merging the cells on the risk margin. | | Not agreed  Disagree: More information in L2 and Actuarial Guidelines |
| 791. | | CEA | | TP-F1- cells IA1 – IA 13 | The previous template had an additional row for the surrender value, this has been removed however our previous comment still stands as it also applies to “technical provisions of products with a surrender option”.  Reporting separately on products with surrender options would require significant effort in amending systems and processes to report the data requested. The template specifies “technical provisions of products with a surrender option”, this insinuates that the risk margin be split at product level in order to report on this requirement.  A surrender value floor should not be applied to the valuation of technical provisions. We believe that a statement of the proportion of contracts with surrender options in relation to the technical provision would provide more meaningful information.  Further clarification required:   Does the definition of “surrender option” apply only to contracts where a non-zero surrender value is available? | | Partially agree: Changed to only be reported on Best estimate  Disagree: Discussed but keep information in template  Yes |
| 792. | | CEA | | TP-F1- cells J1 – JL13 | We would ask that this requirement be removed or, at the least, a consistent threshold should be applied as with other templates, please refer to TP – F1 – General for comments on consistency with TP – E1.  Analysing the gross best estimate based on localisation of risk will be incredibly difficult to split out, in the same way technical provisions data is not available by counterparty.  The business split according to countries where the risk is located is not applicable for some LOBs, for example Life Reinsurance. Due to the fact that worldwide coverage is provided, and that sometimes risks located in different countries are reinsured under one treaty, local loss events (Tsunami in Thailand or catastrophe of the funicular in Kaprun) affect risks located in different countries, and treaties underwritten in different countries. For these LOB, the proposed split is neither feasible nor useful.  It should be clearly stated that the risk location should be the country where the contract was underwritten for reinsurance undertakings, this would refer to the country of the cedent. This would also provide consistency with the LOG definition provided for the equivalent cells in TP-E1. | | Agree: Consistent threshold. Changed in LOG  Underwriting risk valid not localisation of risk – See LOG  Se answer above  Clarified in LOG |
| 793. | | CEA | | TP-F1- cells M1-M13 | The format of these cells does not appear to allow for the description of more than one simplified method, while the percentages included in O1-O12 would include the impacts of additional areas where simplified methods are used. There is the potential for misinterpretation of the results. | | Deleted in template – information in Narrative report |
| 794. | | CEA | | TP-F1- cells P1-P13 | The LOG definition for this row now refers to “total amount of surrenders”, it previously referred to TPs calculated by LOB.  Clarification is required on what reporting period is anticipated and if both surrenders and transfers should be included in the amount. We also query if the total amount of surrenders refer to actual surrenders or surrenders from the modelling of BE? | | Agree: changed in LOG  Both should be included |
| 795. | | CEA | | TP-F1- cells Q1-Q13 | We appreciate that discussions on the risk-free-rate are ongoing and we will be happy to discuss this point further with EIOPA upon finalisation of the Level 2 proposals. | | Noted |
| 796. | | CEA | | TP-F1Q- cell E1-E13 | We would propose to merge all cells related to the risk margin. To split these, for reporting purposes only, will be unduly burdensome. | | Disagree: discussed but keep reporting on RM |
| 797. | | CEA | | TP-F3- cell A1 | More guidance is required on “product denomination” and how granular the proposal will be in practice. The more granular the denomination is the more demanding it will be to complete the template.  In few cases, information was said to be available on a product basis but in the vast majority of cases, a split by product will be very difficult to achieve.  Difficulties may arise when using “commercial name” as this can often be subject to change.  The reporting of different guarantees with different risks and different commercialisation dates in single lines would, in some cases, result in more than 200 separate lines for single undertakings.  The LOG comment specifies that annuities stemming from non-life contracts are excluded however the definition for cell A1 states that for non-life annuities, it should be specified which product it belongs to. This seems to be inconsistent.  The LOB is not mentioned in the list of different characters. There are hybrid products where the policyholder can choose the yield to be guaranteed or unit linked.  Further clarification required:   In some cases, policies include both with-profits and unit-linked technical provisions. How should these policies be handled?   We interpret that a product can be repeated on more than one row because there are variations of HRG and or types of premiums (A7) within one product denomination. Is this correct? | | More clarification added in LOG  Noted  If changed old name in bracket – See LOG  Noted – Need change?  Agree: Will be specified in F4 - deleted  Hybrid products put in the LOG  Not for LOG but can be clarified later by NS or EIOPA  Yes, better explained in LOG |
| 798. | | CEA | | TP-F3- cell A10 | Please refer to TP-F3- cell A9 for comments on insurance contracts under IFRS.  This cell currently implies that a new policy insuring a life already covered under an existing policy, would count as zero in this column. This would be logistically difficult for many companies.  Further clarification required:   How should policies with periods of less than a year be included? | | Change in LOG  Ask SG3  Should be included |
| 799. | | CEA | | TP-F3- cell A15 | Please refer to TP-F3- cell A9 for comments on insurance contracts under IFRS.  Further clarification required:   Clarification would be helpful on whether single premiums are reported as the actual amount paid or as a percentage of premiums e.g. 10%?   The purpose of this cell is to assess movements in contract amounts and compare (reconcile?) with the evolution in technical provisions. Is this possible if no information is held on about transfers of contracts together with assets/provisions from other undertakings? | | Actual amount paid - Clarified in LOG  Noted |
| 800. | | CEA | | TP-F3- cell A21 | It will be very difficult to report Best Estimate calculations at HRG level. For instance, value of options and guarantees are calculated at a macro level (usually entity level) and an artificial allocation of this value to HRG would not make sense. If the idea is to understand the volume of the product, then other information, such as surrender value or capital at risk, should be used.  Best Estimate information should be presented at entity level or at the most granular, fund level.  Point 4 of the LOG for this cell leads to unspecified results of HRG’s and Products: “If a line represents several HRGs which are common to other products (i.e. cell A2B > 1 and cell A2C = Y), then all lines concerned should be merged.” | | Noted  Noted  Noted |
| 801. | | CEA | | TP-F3- cell A24 | More guidance is required in order to assess the exact implications of this proposal. It may be difficult to calculate this at product denomination level. | | Noted |
| 802. | | CEA | | TP-F3- cell A26 | Calculation of total surrender value for all in-force business would be very time-consuming. Best Estimate liabilities seem to already capture the value of these options, clarification would be helpful on why they are required to be reported separately. | | Disagree: In F1 for LoB. For F3 to follow up on products that have a surrender value. |
| 803. | | CEA | | TP-F3- cell A2B | There is a partial definition of HRG in the draft Level 2 text ( Article 28(2) and 29) but they apply only to life insurance and cases where grouping is made. Also, those definitions are in contradiction with the definition provided in the LOG for this cell.  The definition of HRG must be fully detailed in at least the Level 2 text. It must be checked that all the requirements connected to HRG’s are workable.  A clearer title could be “Number of HRG’s in Product”. We understand the current title to mean that HRG’s are listed and numbered, and the number of that list is reported in this cell. | | Noted – Changed LOG  Noted  Agree: changed in Template |
| 804. | | CEA | | TP-F3- cell A2C | If the partial definition in the Level 2 text is used, the answer in this closed list would always be “No”. | | Noted – but still keep |
| 805. | | CEA | | TP-F3- cell A30 | This appears to be very specific to individual product types and/or territories and therefore not appropriate for all products/territories.  Further clarification required:   Is this cell only applicable to annuity business or non-profit with guarantee?   This cell should not be applicable for unit linked or with profits business. | | Noted  Not clarified in LOG but could later be explained by NS or EIOPA  Agree: for UL. Some changes in LOG |
| 806. | | CEA | | TP-F3- cell A34A | There will often be many tables applied to sub-categories of an overall product denomination (e.g. one for each homogenous risk group. Also, this assumes that all policies within a product denomination are valued in the same way.  The LOG refers to cell A20 however this cell no longer exists in this template.  Further clarification required:   Provide Best Estimate assumption – but should this only be provided where mortality rates have an impact on pricing and benefit i.e. not relevant for Unit Linked Savings? | | This cell deleted and replaced by old A20 |
| 807. | | CEA | | TP-F3- cell A4 | This cell may be relevant if the product is in run off. The judgement on risk is different if you know that the product will grow or decrease in the future. | | Partly agree: But also give comparison to follow up on products comparing different years |
| 808. | | CEA | | TP-F3- cell A41 | We query whether there should there be an affirmative response only when the TP has been calculated by the replication method? | | Yes –but No should confirm not used |
| 809. | | CEA | | TP-F3- cell A5 | To assist the comparability between undertakings, a closed list of products should be developed.  The “type of product” list should not be more extensive than the product categories set out in TP-F1.  The closed list could include a value “other”, in the case that undertakings report a large number of “other products”, the supervisor could then consider extending the closed list. | | Partially agree: Not be possible at this stage but could be developed in the future. Se clarification in LOG  Noted |
| 810. | | CEA | | TP-F3- cell A6 | Initial mapping work will be significant in order to assign policies to the new product classification IDs.  In the LOG, the harmonised code still contains a position (2nd letter) to identify the risk driver of a product, whereas in TP-F1 the segmentation into risk driver has been removed. | | Noted  Agree: risk drivers have been removed |
| 811. | | CEA | | TP-F3- cell A7 | Further clarification required:   Clarification would be helpful on whether any combination from the list of R/S/NS/NF/O can be paid into one single policy, for example a pension policy?   “Regular but flexible premium” is very important class of premium paid but not included in this list. | | Combinations are allowed to clarify this. See LOG |
| 812. | | CEA | | TP-F3- cell A8 | Please refer to TP-F1 – cells J1 – JL13.  It should be clarified that for reinsurers, “country” should refer to country of the cedent undertaking and not country of localisation of risk. Please refer to Cover-A1A and A1G – General. | | Agree – Changed in LOG |
| 813. | | CEA | | TP-F3- cell A9 | Successful reporting of this information is dependent on all databases being kept completely up to date.  We do not understand why the reference for contracts is taken from IFRS 4.  For the cells A9, A10 and A15, the LOG states that only contracts classified as insurance contracts in IFRS 4 are included in this cell. We question what should be done with contracts classified as investment contracts, for example unit linked and if they are to be included in the template?  In Solvency II framework there’s no distinction between insurance and investment contracts.  We query whether this information is relevant for Reinsurance undertakings.  Further clarification required:   How should undertakings treat cluster contracts? | | Agree  Agree: change in LOG  No  To specific to be in LOG and not for all areas - Could be answered later by NS or EIOPA |
| 814. | | CEA | | TP-F4- cell A1 | Annuities are normally not paid on a health product and if they are paid, they cannot be separated easily from the other payments.  Further clarification required:   Do the annuity payments also include benefits such as waiver of premium?   The method of calculation should be specified.   Is this amount meant to be an average or total amount?   Should the description of this cell refer to ‘annuities and other payments paid during the reporting year’?   Where should undertakings report annuity claims provisions released during year N? | | Refer answers to 644 |
| 815. | | CEA | | TP-F4- cell A2 | Further clarification required:   Is it the case that Single Life, Joint First Death and last Survivor Annuities are required to be shown separately?   How should survivorship annuities be included? | | Refer answers to 645 |

1. a) If BE of Claims Provision for a specific Line of business (taking into account all currencies) makes up less than 3% of total gross BE of Claims Provision, then it is not required to report separately the triangles for this LoB for different currencies but only total in reporting currency;

   b) if BE of Claims Provisions for a specific LoB (taking into account all the currencies) makes up more than 3% of total gross BE of Claims Provision, then it is required to report separately the triangles for this LoB for the total (in reporting currency) and for each currency (in the original currency) that makes up:

   - either more than 25 % of LoB

   - or more than 5 % of gross BE of claims provisions. [↑](#footnote-ref-1)