|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | **Summary of Comments on Consultation Paper 09 - EIOPA-CP-009/2011**  **CP No. 009-SII Reporting - Quantitative Reporting –** **Cover** | | | **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** |
| 1. | Deloitte Touche Tohmatsu | | Cover – A1A & Q- Benefits | Extra guidance is required wither smaller undertakings should report on a quarterly basis or should there be a threshold under which this would not be required? | Quarterly reporting of this template will be required from all undertakings but A1Q requires less information. |
| 2. | FEE | | Cover – A1A & Q- Benefits | With respect to quarterly reporting we are concerned that the split of expenses into administration, investment management, claims management, acquisition and overhead expenses as suggested in the template may create additional adminitrative burden since not all insurers manage their costs this way, i.e. the data is not directly available. The same applies for the split into LoBs as defined by EIOPA, as, e.g., assets are not managed by EIOPA LoB and expenses for reinsurance contracts are not split into the segments proposed here. | For quarterly reporting the split of expenses into administrative, etc. is not required. A1Q requires less information. |
| 3. | German Insurance Association (GDV) | | Cover – A1A & Q- Benefits | Please refer to Cover – A1 – General. | Noted |
| 4. | KPMG | | Cover – A1A & Q- Benefits | It is unclear what the standardised split of expenses will bring in terms of supervisory benefits and we note that existing expense data is unlikely to follow these categories in some organisations, meaning additional effort will be required to report in the proposed format. | A standardised request is necessary under a standardised reporting framework. Undertaking should have appropriate knowledge about its expenses and as such the required split should be available. |
| 5. | The Directorate General Statistics (DG-S) of the E | | Cover – A1A & Q- Benefits | Please refer to Country – K1 General | Noted |
| 6. | Association of British Insurers (ABI) | | Cover – A1A & Q- Costs | The largest cost driver of this template is the requirement to split the detailed expense information required across LoB and between direct/reinsurance and ceded lines. Information about expenses should be provided in a less granular way as we do not believe that the current split by sub categories provides any useful insight into activities by line of business or by country, specifically given the level of approximation/estimation that would have to be applied in order to derive this split.  In addition costs will be incurred in assessing the “localization of risks” in some instances, specifically with respect to reinsurance treaties that cover multiple jurisdictions. This level of information will not always be readily available. | Undertaking should have appropriate knowledge about its expenses. Also for calculation of TP detailed information on expenses is needed. Additional information will be provided in L3.  LOG changed to clarify. |
| 7. | Deloitte Touche Tohmatsu | | Cover – A1A & Q- Costs | For small and medium undertakings, producing the quarterly template will represent significant costs and resourcing constraints. | Quarterly reporting will be required from all undertakings but A1Q requires less detailed information. |
| 9. | German Insurance Association (GDV) | | Cover – A1A & Q- Costs | Please refer to Cover – A1 – General. | Noted |
| 10. | RSA Insurance Group plc | | Cover – A1A & Q- Costs | In our recent dry-run exercise, a lot of our operations had difficulty analysing business in the various ways required by the templates:   location of risk for A1;   location of underwriting for K1; and   a mixture of the two for E1.  The main obstacle was obtaining an analysis by LoB, on both bases. We believe that, in a risk-based regime, undertakings should be able to identify, measure, manage, monitor and report the risks they consider significant to their business, not those stipulated on a one-size-fits-all basis. Analysing data in multiple ways adds no significant value to the way we run our business.  We suggest this form be subsumed within form K1, using country of underwtiting as the basis; else, analysis should be permitted at least no more than on a total basis. See also “Materiality” below. | Noted. A standardised request is necessary under a standardised reporting framework.  Noted but not agreed. K1 is requiring information on different basis. K1 requires data by the Classes defined in Level 1 and not by LoB. |
| 11. | Deloitte Touche Tohmatsu | | Cover – A1A & Q- Disclosure | The quarterly template is now required to be publicly disclosed . We advise to reconsider this for small and medium undertakings as this may repesent a significant mobilisation of their resources. | There is no requirement for public disclosure on a quarterly basis. This template will be used for disclosure only annually. |
| 12. | European Captive Insurance and Reinsurance Owners | | Cover – A1A & Q- Disclosure | We object to public disclosure of this document for captives as this would release sensitive competitive information. Captives are seeking an exemption from disclosure under article 53 (1). | Noted |
| 13. | Federation of Finnish Financial Services | | Cover – A1A & Q- Disclosure | We support EIOPA’s move towards developing a simplified template for public disclosure however the definitions used must be consistent with IFRS. | Not agreed. Data requirements for Solvency purposes are on SII basis. |
| 14. | German Insurance Association (GDV) | | Cover – A1A & Q- Disclosure | GDV supports EIOPA’s move towards developing a simplified template for public disclosure however the definitions used must be consistent with IFRS. To disclose similar information with different definitions does not add transparency and could be misleading for readers. We propose to keep definitions in line with IFRS. Please also see our comments on VA templates. | Please see Com. 13 |
| 15. | KPMG | | Cover – A1A & Q- Disclosure | We welcome the simplified content of the publicly disclosed template. | Noted. |
| 16. | RSA Insurance Group plc | | Cover – A1A & Q- Disclosure | Given the combination of written premiums (not a cashflow), earned premiums (not a SII concept) and claims/expenses paid (cashflow amounts but not in the financial statements), these numbers may simply create confusion, not clarity, amongst the public. We therefore do not support public disclosure. | Noted. Both definitions of written and earned premiums will be provided by Level 2 Implementing Measures. The information required on expenses and claims was changed to require only data on accrual basis. |
| 17. | AMICE | | Cover – A1A & Q- Frequency | It would be too burdensome to produce the information requested on a quarterly basis. Premiums and claims should only be reported on an annual basis. | Undertaking needs to follow the premiums and claims on a more frequent basis |
| 18. | Deloitte Touche Tohmatsu | | Cover – A1A & Q- Frequency | See comment on Cover a A1A & Q- Disclosure | Noted |
| 19. | German Insurance Association (GDV) | | Cover – A1A & Q- Frequency | Quarterly reporting should allow for the use of approximations.  For reinsurance especially for non-proportional business, payments for ceded business are are often accounted for only on a yearly basis. Quarterly reporting on the reinsurer’s share would be incomplete therefore an annual frequency for reporting this information should be required.  Here a materiality thereshold could be applied, e.g. if the reinsurance share accounts only for x% of total TP, no quarterly reporting of reinsurance business would be necessary. | Simplifications to be used are the ones to be defined under Level 2.  Noted. |
| 21. | The Directorate General Statistics (DG-S) of the E | | Cover – A1A & Q- Frequency | See comment above for cover- K1 |  |
| 22. | AMICE | | Cover – A1A & Q- General | Members raise concerns with regard to the allocation of expenses between different types of portfolio: difficulties in splitting overhead expenses among products. We strongly suggest that EIOPA allow simplifications for these calculations and/or provide examples. | Please see com. 6 |
| 23. | Association of British Insurers (ABI) | | Cover – A1A & Q- General | The majority of the detail for expenses requested for this form would need to be provided by allocation as this level of data is not held by the organisation. Examples are;   the split between lines of business,   the split between direct and assumed,   the split between administrative and overheads.  This level of information is not meaningful to management so it is not understood why this would be useful. Expenses should be requested at a level of granularity that is meaningful.  We note that many of the cells in this schedule referring to expenses use the term ‘paid’. We do not feel that this is a helpful term, as it may indicate that we are to include expenses on a cash basis (i.e., where physical payment has been made). If this is the case, accounting systems may not directly support this method and to complete the schedule on this basis would be unduly onerous. We would seek confirmation if this is really the case, or is an ‘accruals basis’ acceptable (which would be consistent with the published accounts and balance sheet). | Please see Com. 6  LOG changed to require expenses on an accrual basis. |
| 24. | Audit&Consulting Services - Poland | | Cover – A1A & Q- General | Lack of consistency in the approach to the presentation of insurance business income and expenses. There is an accrual approach principle used for income - the gross written premium (wich means the amount due ​​during the reporting period from insurance contracts according to EU directive on statutory and consolidation account of insurance companies)), while the expenses are based on cash basis (expenses paid). The reason is the lack of profit and loss account in the reporting templates as a result of the assets liabilities approach (see explanation presented in OF - B1A & B1Q – General)  Definition of premiums written in the comments needs to be changed. There is no definition of premiums assumed for MCR calculations. MCR calculation does not include definiton of wirtten premium. Its unclear which definition will be presented – definition from EU directive on on statutory and consolidation account of insurance companies (as the insurance companies think) or definition from IFRS 4 ‘Insurance contract”.  Noteworthy is the cost structure presented in the spreadsheet especially separation of the overhead costs from administrative expenses. It is necessary to clarify the definition of each category of costs. It is unclear what kind of the expenses are included in administrative costs (only servicing expenses or also acquisition costs not included in the item acquisition costs (eg indirect costs of acquisition sales support, sales development ...) In terms of the insurance liabilities, it is important to separate the insurance business the following costs:  - Acquisition expenses (as initial expenses) including  o Acquisition expenses directly related to the sales of the insurance and reinsurance contracts (commissions,…)  o Other acquisition expenses related to sales support, sales development…, suport of distribution channels)  - administrative (servicing) expenses – expenses incurred in servicing insurance and reinsurance obligation.  o Direct servicing expenses – directly related to the servicing insurance or reinsurance contract (commisision for servicing contract…)  o Indirect servicing expenses (client service….),  - Claims handling expenses  o Direct claims handling (incurred during handling of he one claim)  o Indirect claims handling ( related to the claim handling portfolio).  - overhead expenses - expenses related to the insurace activity not included in the items presented above. | Please see Com. 16  Definitions in LOG changed following the information provided in L3. |
| 25. | AXERIA PREVOYANCE – AXERIA IARD - SOLUCIA | | Cover – A1A & Q- General | We suggest to split the line of business medical insurance into “first € insurance” and “complementary Insurance”. | Please note that LoB are defined by Level 2 Implementing Measures. |
| 26. | CFO Forum & CRO Forum | | Cover – A1A & Q- General | We would favour that this definition is switched to define country as “where business is underwritten”.  The country definition on this form “depends on localization of risks (like TP-E1 & F1) and not where business is underwritten (like Country - K1)” is unacceptable.  This continues to be a big problem for countries that sell insurance under the Freedom to Provide Service (FPS) agreements and for Reinsurer. In these cases there is no easily identifiable way to approximate the location of the risk from central systems nor from local systems. We would favour that this definition is switched to define country as “where business is underwritten”. An alternative for reinsurers would be the location of the cedant.  We propose simplification of the template, particularly in relation to expenses .  The expense breakdown is excessive. It is not clear what this level of detail is meant to achieve. Information at this level of detail could only be provided by arbitrary allocations in many areas.  It would be important to clarify that the valuation required for expenses is the local statutory valuation (and not ‘expenses paid’). This will ensure consistency of valuation within the template. | The LOG file was changed to state that:  Criterion for country:  -localization of risk for “Medical expense”, “Income protection”, “Workers’ compensation”, “Fire and other damage to property” and “Credit and suretyship” Lines of business;  -country of underwriting for all other Lines of business.’  Please see com. 6  Please see Com. 6  Please see Com. 23 |
| 27. | Danish Insurance Association | | Cover – A1A & Q- General | Providing information on risk location is extremely burdensome and difficult for many lines of business. For many lines of business the information is not relevant either. The risk of the insured object is very often not related strictly to the location by country. If information on risk locations is to be provided, undertakings need pragmatic methods. The guidelines provided lack such methods. | Please see Com. 26 |
| 28. | Deloitte Touche Tohmatsu | | Cover – A1A & Q- General | We suggest to take up Claims Payable and Expenses Payable in both templates instead of Claims Paid and Expenses Paid, as accrual base aligns with statutory reporting. | Noted. LOG changed to require Claims and expenses incurred. |
| 29. | Federation of Finnish Financial Services | | Cover – A1A & Q- General | As there is only a Balance Sheet in Solvency II, we assume that this information is based on the financial accounts but LoB is as defined for SII purposes. This is an additional burden to compile for undertakings. Is it really needed as we have in the financial statements result by group of EU insurance classes that is quite similar to this?  Terminology should be consistent with accounting terminology, if templates are based on financial accounts.  The required allocation of cost differs from the one usually used.  We do the bookkeeping based on accrual concept – not cash basis. Therefore our book keeping system does not keep track of expenses paid.  High implementation costs are expected because of the required split of expenses paid (administrative, investment management, claims management etc. expenses ) per SII LOB. The required breakdown deviates from the current accounting approach. This template leads to double calculation (SII LOBS and accounting LOBS) based on different bases (cash and accrual).  Premiums and claims for countries where risk is located could not be found in the GL. If this is going to be reported it has to be based on internal assumptions. Do such assumptions fulfil any supervisory purpose?  Reporting the only latest quarter premiums is not consistent with other quarter reportings.  Localization of risk is difficult to provide. Some (re)insurance contracts may cover several risk locations. In case majority of company’s risks (for example > 95%) are located in home country, the information is not relevant and it should not be required.  Why claims paid does not include here salvage and subrogation? In GL they are included in paid claims. | This template is for SII purposes, thus data should follow SII rules.  LOG changed to require Claims and expenses incurred.  Please see Com. 22  Please see Com. 26  Noted. Noted but not agreed. Even if there is concentration in the localization of risk, that information is relevant for supervisors.  Not clear which GL is referred in this comment |
| 30. | German Insurance Association (GDV) | | Cover – A1A & Q- General | We think that the template is a mix of statutory accounts accounting principles (premiums written and premiums earned) and SII cash flow basis of claims and expenses.  Although premiums and claims can easily be divided into product types, “expenses paid” are not always precisely allocated to contracts or parts of the portfolio. There is room for judgement, especially in relation to overhead expenses. Thus this template may require changes in the data source extraction and judgment on how to present/allocate “expenses paid” between different types of portfolio (contracts). Examples of simplifications which might be used for the “expenses paid” allocation to different parts of the portfolio would be a useful support for the undertakings.  Please note that for gross business and for the reinsurers’ share 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, and 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-proportional segment. In cases where the insurer accepts some non-proportional business, this has to be interpreted carefully.  In addition, for reinsurers the retro-ceded part of their business could be even more problematic regarding segmentation; assumed business could be non-proportional, whereas ceded part could be retro-ceded as proportional business.  As mentioned below (see comment on “Cover – A1 – cell A19”), the split by country where the risk is located is not applicable, at least in some cases. This split should be dropped as no benefit can be seen.  For example reinsurers could only provide most of these figures by location of cedant.  Settlement of reinsurance may only take place twice a year (some treaties only once per year). Usually the first settlement during the year is based an approximation and only the final settlement at year end is based on real experience. Therefore net values could not be calculated quarterly.  The specification of countries does not help to identify risks because exposure to catastrophe risks is not identical to exposure to country.  Some treaties with construction companies do not specify the location of the insured construction site but refer to any construction in a given year. Consequently data about localisation of risks (and premiums) is not available. The same applies to the actual residence of insured persons (Life).  It looks like this template has been designed with general insurance companies in mind rather than life assurance undertakings.  We refer to our general comments made previously about creating a process for ensuring the reports agree with each other.  We assume that premiums relating to Workmen Compensation are not split between SLT and NSLT as premium risk is in NSLT for that product line. As a general comment, there should be more guidance on where elements relating to WorkCom have to be reported as under technical specifications it is split into Health SLT and heath NSLT  Further clarification required:  Written Premiums  The definition provided in the LOG is that written premiums should be defined as “all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later financial year”. Clarification would be helpful as to whether this means all premiums received or just premiums received on insurance contracts and not investment contracts. Additional points are raised below.  What is not clear is whether this should take into consideration the undertaking’s credit arrangements i.e. should this include premiums from contracts entered into in the financial year regardless of whether they are not due because of insurer allowing a credit period to the insured. Also, we query how to treat written premiums paid in instalments, for example if it should follow pre-IFRS deposit accounting reporting, i.e. all premiums received, or is it just premiums received on insurance contracts and not investment contracts.  We propose that the definition of written premiums should be as follows: Premiums due from the insurance contracts written in the financial year regardless of the fact that such amounts may relate in whole or in part to a later financial year.   The requirement to do this quarter to date and not from the start of the reporting year is only stated for A1, therefore are all other templates e.g. K1 on a year to date basis? Or are they all to cover the latest quarter. Clear direction for each template is required.   If based on localisation of risk, for re-insured business, will the gross premiums, claims and expenses follow where the re-insurer’s home country is? However, the re-insurer may have a different localisation of risk that is not its home country - this information would prove hard to get from the third party.   The template requests premiums “written”, but claims and expenses “paid”, indicating a mismatch. We ask EIOPA to clarify this situation.   How is the location of risk defined in cargo insurance?   Only premiums and claims paid are mentioned. Should not commissions paid also be reported?   It was requested to add benefits to “claims & benefits paid”   Split “Line of business for: life obligations”- Not all rows can be split easily per line of business. Is it any guidelines with info which drivers are applicable for cost allocation e.g. split of “claims management expenses” per line of business? Is it expected that regulator will review methodology of cost allocation?   It seems that detailed definitions of all expense categories are required. It seems quite difficult to make distinction among listed type of expenses.   Data regarding gross, reinsurers’ share and net – if it is required to make split of each categories of expense with info about reinsurers’ share then it will be difficult to cover such requirements. Such data are not available in financial systems. It means that new approach to booking transaction with reinsurer should be implemented or manual review of contracts and transactions will be required.   To what extend should cash flows to calculate technical provisions be consistent to cash flows to be reported in the cover-template?   A clear definition of the template positions are missing. Are cash flow or accounting figures to be reported under each position?   The labelling of the major lines (premiums written, claims and expenses paid) would still point more to a cash flow rather than a P&L view, but:  o What is then the intention of the line “premiums earned”? This would be more fitting for an overall P&L perspective. But then also the change in reserves and the deferral of acquisition costs should be included.  o The level 2 guidance for the SFCR (Article 296 SRS 3) still requires “[…] qualitative and quantitative information of their undertaking’s underwriting performance by material line of business and material geographical area of business […] as shown in the undertaking’s financial statements.” To allow for a consistent reporting and reconciliation between the quantitative data provided in the QRTs to the narratives in the SFCR, only the P&L view would be meaningful. Now expenses are split in administrative, investment management, claims management, acquisition, overhead, and other expenses.   What is the purpose of the inclusion of more detailed information on the expense line?  o Investment management expenses are not part of the “underwriting performance”. Why should they be included here?  o Why should overhead expenses been shown separately from the administrative expenses?  o What are other expenses? Should they only comprise expenses related to the underwriting activities are something else? What is the purpose of their inclusion?  High implementation costs are expected because of the required split of expenses (administrative, investment management, claims management etc. expenses) per LOB and countries. The required breakdown deviates from the current accounting approach.  Information about expenses should be provided on a less granular way.  A split in expenses in sub categories does not enhance the insight in activities per line of business or per country. We consider the quarterly template quite sufficient for supervisory purposes.  We note that many of the cells in this schedule referring to expenses use the term ‘paid’. We do not feel that this is a helpful term, as it may indicate that we are to include expenses on a cash basis (i.e., where physical payment has been made). If this is the case, accounting systems may not directly support this method and to complete the schedule on this basis would be unduly onerous. We would seek confirmation if this is really the case, or is an ‘accruals basis’ acceptable (which would be consistent with the published accounts and balance sheet).  As there is only a Balance Sheet in Solvency II, we assume that this information is based on the financial accounts but LoB is as defined for SII purposes. This is an additional burden to compile for undertakings. Is it really needed as we have in the financial statements result by group of EU insurance classes that is quite similar to this?  Couldn’t find a proper cell for this comment: What is the definition of overhead expenses compared to administrative expenses? This kind of information doesn’t exist in systems as it is not required according to accounting rules. All cost is allocated to activities stated above in the template.  Furthermore the required allocation of cost differs from the one usually used.  We do the bookkeeping based on accrual concept – not cash basis. Therefore our book keeping system does not keep track of expenses paid.  Premiums, claims & cost for countries where risk is located could not be found in the GL. If this is going to be reported it has to be based on internal assumptions. Do such assumptions fulfil any supervisory purpose?  There are premiums written, premiums earned and claims paid, but not claims incurred – so the template gives partial information? Should the premiums earned be left out as the premium earned is not included in template A1Q?  For example reinsurers could only provide most of these figures by location of cedant | See comment 16.  Noted  Noted  Noted.  See comment 26.  Noted. Undertakings should report the information they have at each quarter.  See comment 26.  Noted.  Noted. See comment 6.  The definition will be provided by Level 2 Implementing Measures  Only A1Q is to be reported with reference to the last quarter. Please note that K1 is annual.  Information regarding ceded insurance should be reported based on the original risk localization.  The LOG was changed to require Claims and expenses incurred.  See comment 26.  Not clear what “commissions” is in this comment.  Noted. “Benefits” is not a SII concept.  Undertakings should establish a split driver internally. No guidance is foreseen.  Noted.  Noted.  The LOG was changed to require Claims and expenses incurred  Noted  Please see definition in the LOG  Please see Com. 6 |
| 31. | Groupe Consultatif | | Cover – A1A & Q- General | Unclear how written premium links to the cash-flow view on premiums – hence a precise definition is required i.e. is it premium written or premium received | Definition will be provided in L2. |
| 33. | ING Group Data modelling team | | Cover – A1A & Q- General | Usage of two different incompatible splits into LoB and Classes is significantly complicating matters and is not adding value to reporting.    H1=E1+F1-G1 : Claims paid NET as defined here would be Claims paid gross - Reinsurance recoveries. However on the TP-E3 reports Claims paid net is defined as Claims paid gross - Reinsurance recoveries - Salvage and subrogation.  So this amount would not be the same as the amounts reported on TP-E3 as net amount. Is this as intended? | Please see new definitions in the LOG file.  The information asked by Classes in K1 is required by Level 1 (Art. 159). |
| 34. | Institut des Actuaires | | Cover – A1A & Q- General | On A1Q, expenses are given by LoB. Even if they are not detailed, it gives an idea of the cost model of the company. We therefore recommend this not to be published, or at least to be given on a larger basis (eg. “costs of the company”). At the same time the claims paid are disclosed. Without information on reserve, this could lead to a misinterpretation. We therefore recommend not to publish this information. | Noted, but not agreed. Please note that the template used for disclosure is A1Q, which is a reduced version of the annual one. |
| 35. | KPMG | | Cover – A1A & Q- General | We believe the information called for is useful in understanding an insurer’s business and will assist effective supervision. There are however further improvements which could be made. While there has been a significant improvement in the layout and clarity of information required, we would suggest that this template arrives at an ‘underwriting result’. This would require the reserve movement lines in the ‘profit and loss’ account to be included, and would facilitate reconciliation with template “GO1”, which calls for each entity’s “Underwriting performance”. | Noted but not agreed. The intention of this template was not to have information on ‘underwriting result’. |
| 36. | Lloyd’s | | Cover – A1A & Q- General | We do not support the proposed requirement to report expenses, for example, investment management expenses by Line of Business (LOB). This is because some of these expenses are not managed on a LOB basis and any such reporting could potentially lead to arbitrary allocation of these expenses. We propose that expenses should only be requested at a level of granularity that is meaningfu l.  In some cases, it is not clear from the LOG whether the expenses reported in this form are incurred expenses or actual cash flows. Clarification would be appreciated. If actual cash flows are required, it would make comparison difficult with Premiums written which is also included on the form. We propose that expenses should be reported as incurred in the period (and where relevant should include expenses related to premiums on unincepted business).  In the case of A1Q, it is not clear what expenses should be included in ‘expenses paid’ and ‘other expenses’. Clarification regarding this would be appreciated. | Please see Com. 6  Please see the new definition in the LOG |
| 37. | NFU Mutual | | Cover – A1A & Q- General | The use of written premiums is inconsistent with the paid nature of expenses and claims. For this schedule to be properly consistent, should it use earned premiums rather than written. | Noted. . Please see the new definitions in the LOG. |
| 38. | Royal London Group | | Cover – A1A & Q- General | Accounting and actuarial data do not currently contain information on the residence of the insured life, so the localisation of the risk is not readily available. | LOG changed to clarify this |
| 39. | RSA Insurance Group plc | | Cover – A1A & Q- General | To aid completion of this form, there need to be in-built cross-checks between this form and (say) form TP-E3 or form VA-C2C. Currently, no guidance has been provided in this regard with respect to this form.  In particular, there are two measures of premium here (written and earned); yet there is a third in form C2C (premiums paid). Given that the VA series is the most recent of the QRTs, there needs to be more consideration of how these templates fit together in a way that works efficiently for reporting undertakings.  Excluding salvage and subrogation from claims paid (and the whole form, in fact) seems to be nonsensical – the form is missing an important element of insurance cash inflows. | Noted. Please see the new definitions in the LOG.  Noted. Please see the new definitions in the LOG for VA templates also.  Noted. Please see the new definitions in the LOG. |
| 40. | The Directorate General Statistics (DG-S) of the E | | Cover – A1A & Q- General | Please refer to Country – K1 General | Noted |
| 41. | The International Group of P&I Clubs | | Cover – A1A & Q- General | There is a potential difficulty for insurers in analysing underwriting and claims activity by country. For example, although the P&I Clubs write similar business (protection and indemnity cover for global shipping companies) , their locations vary. For some, there is a single base (e.g. London), where all underwriting takes place. Other have a number of offices around the world and carry out some underwriting from these locations. If activity is defined as being based on the location where the underwriting takes place, the Clubs will report very different analyses even though the global business that they underwrite is similar. A similar difficulty arises in relation to the location of the claim – it could be where the incident giving rise to the claim takes place or the location of the insured’s head office ; there are also other possibilities. This will be an issue for many insurers and therefore further clarification on this point would be useful in order to get consistent reporting. | Please see Com. 26 |
| 42. | The Phoenix Group | | Cover – A1A & Q- General | Please clarify the definition of ‘localisation of risk’, with examples. Is this the risk at the time the policy was sold, or where the insured currently resides. If the latter, this may be difficult to obtain, particularly for ‘Gone-aways’. Assumptions would therefore be required, which would appear to devalue the worth of reporting data on this basis.  Please clarify the basis for Claims and Expenses data – is this cashflow or Accruals? We suggest that this should be on an Accrual basis as per IFRS. Cashflow basis would make collection of the data difficult as the ledger is not set up in this way and would require substantial re-development to produce information on a cashflow basis, whilst retaining the current accrual basis for statutory reporting.  Please clarify the basis for premiums written and premiums earned.  Please clarify whether this QRT follows pre IFRS deposit accounting reporting, i.e. all premiums received, or is it just premiums received on insurance contracts and not investment contracts?  A split of Gross / Reinsurer’s share and Net will not always be relevant. E.g. Overhead expenses.  Allocation of expenses to Lines of business is not currently available and would be entirely arbitrary, whilst not particularly adding any value to the reporting. Suggest this requirement should be removed. | Please see Com. 26  Please see Com. 23  Please see Com. 31  Please see Com. 19  Noted. |
| 43. | XL Group plc | | Cover – A1A & Q- General | The majority of the detail for expenses requested for this form would need to be provided by allocation because this level of data is not held by the organisation. Examples are;   the split between lines of business,   the split between direct and assumed,   the split between administrative and overheads.  This level of information is not meaningful to management so it is not understood why this would be useful to the Supervisor. Expenses should be requested at a level of granularity that is meaningful.  It is not clear from the LOG whether the expenses reported in this form are incurred expenses, or actual cash flows. Clarification is required.  If actual cash flows are required, it would make comparison difficult with Premiums written, which is also included on the form.  Expenses should be reported as incurred in the period. | Please see Com. 6 and 23 |
| 44. | German Insurance Association (GDV) | | Cover – A1A & Q- Groups | This template should be manageable at group level however we would suggest removing the split by country (cells A19-A23); at group level this is an unnecessary requirement.  We query if it is required to eliminate Group internal business or if it is sufficient to sum-up all of the subsidiaries within the group. For example:  A direct insurer writes EUR 100mn premiums externally (“Gross - Direct Business”: EUR 100mn). Of this EUR 100mn 30% is ceded internally of the Group (“Gross -Reinsurance accepted”: EUR 30mn; and “Reinsurer’s share”: EUR -30mn).  The screen-shot below shows the aggregation alternative. The advantages being that no sophisticated consolidation process is required and on a net basis, the profit contribution is correct. | Disagree. Should fallow same requirement as for solo.  It is required to eliminate internal business |
| 45. | Royal London Group | | Cover – A1A & Q- Groups | Should the group version of this template only include insurance entities within the group or all entities within the group ? | Only insurance business |
| 46. | The Phoenix Group | | Cover – A1A & Q- Groups | Should Group internal business be eliminated, or should all subsidiaries be summed for Group level reporting? | Please see the answer to n. 44 |
| 47. | Federation of Finnish Financial Services | | Cover – A1A & Q- Materiality | The threshold for data by country is really important for undertakings whose foreign activities are immaterial (mainly serving local companies that has established foreign activities). Could there even be an EUR amount threshold to avoid unmaterial amounts to be required to be reported? | If the home country accounts for 90% (or more) then one column only will be presented in the part concerning Top 5 countries. |
| 48. | German Insurance Association (GDV) | | Cover – A1A & Q- Materiality | If the top five “locations” are not material, we believe there would be very little value added in reporting such information. We support EIOPA’s additional materiality threshold of requiring information up until 90% of written premiums is covered but would like to stress that the threshold for data by country is very important for undertakings whose foreign activities are immaterial (mainly serving local companies that has established foreign activities). | Please see Com. 47 |
| 49. | NFU Mutual | | Cover – A1A & Q- Materiality | The five largest countries by activity are called for. In the event that one country accounts for >90% of the total, is it still necessary to report 4 immaterial countries ? | In such a situation there is no need for presenting more countries. |
| 50. | Royal London Group | | Cover – A1A & Q- Materiality | We fully support the proposal to have a materiality threshold. However it would seem proportionate that if an insurer has >90% of written premiums in its home country then it should be exempted competely from this template. | Please see Com. 47 |
| 51. | RSA Insurance Group plc | | Cover – A1A & Q- Materiality | We infer that, if 90% of GWP is accounted for by (say) only three countries, only those three countries are to be reported, not the top 5. If this is the case, we support this attempt to reduce reporting of potentially trivial amounts.  That said, 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. | Please see Com. 47 and 49  Noted |
| 52. | Association of British Insurers (ABI) | | Cover – A1A & Q- Purpose | Lines of business required for this template are specified as “LoB as defined for S2 purposes”. Is this intended to refer to Annex V and Annex II of the Directive (consistent with Country K1)? The headings on this template are consistent with the LoB as defined for QIS 5 so the exact requirements are not very clear. “LoB as defined for S2 purposes” needs to be fully clarified. Please see also our comment on segmentation in 3.2 above.  It is unclear whether the intention of this template is to present a view of cashflows or accounting data. Written and earned data is required for premiums but only paid is required for Claims and Expenses.  If the template seeks to present data on an accounting basis then the definitions of the various line items (premiums written, earned, claims paid, operating expenses) should be consistent with IFRS definitions. Presenting data on any other basis would lead to a lack of transparency and would not facilitate easy understanding of the numbers by users.  Is the intention of the form to capture data on all business written, regardless of whether contacts pass the insurance risk transfer requirements of IFRS? The requirements in respect of risk transfer and scenarios where deposit accounting should be applied need to be specified. | LoBs will be determined in L2.  Claims -> com. 23  LOG changed to require claims incurred. Definition in LOG. |
| 54. | German Insurance Association (GDV) | | Cover – A1A & Q- Purpose | Please refer to Cover – A1 – General. | Noted |
| 55. | KPMG | | Cover – A1A & Q- Purpose | We would suggest clarifying whether the template should be prepared on a cash or accruals basis. Use of the term “paid” with both claims and expenses may be misleading. | Please see Com. 52 |
| 58. | Crédit Agricole Assurances | | Cover – A1A- cell A1 | Names of the Life LoB are slightly different between Cover A1 template and TP-F1 template. The order of the Non-Life LoB is different between Cover A1 template and TP-E1 template.  Is it desirable? | Noted. |
| 59. | German Insurance Association (GDV) | | Cover – A1A- cell A1 | Applies to cells A1-H23.  It would be helpful to clarify if proportionality applies to the reporting of premiums and claims by LOB, especially where activity is small. Otherwise, providing such data would become unduly onerous. | Template is to be reported by all undertakings. |
| 60. | German Insurance Association (GDV) | | Cover – A1A- cell A12 | Please refer to Cover - A1- cell A1. | Noted |
| 61. | German Insurance Association (GDV) | | Cover – A1A- cell A19 | This comment applies to cells Cover - A19 – A23.  The business split according countries where the risk is located is, for some non-life business, not applicable. For Marine/ Transport, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown.  For Health insurance, the insured person might also be insured on travelling; therefore no country could be assigned.  The same holds for Life Reinsurance. Due to the fact, that worldwide coverage is provided, and that risks located in different countries are often 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 not useful.  Regarding accepted non-life business from reinsurers, the split on countries where the risk is located, is much more difficult than for direct business.  These examples might show how difficult it could be to define “the country where the risk is located”. | Please see Com. 26 |
| 62. | KPMG | | Cover – A1A- cell A19 | Clarification is required on is the definition of risk localisation. If this is interpreted as meaning where the risk exists (i.e. using the SCR), this is likely to be practically difficult. | Please see Com. 26 |
| 63. | Thomas Miller & Co Ltd | | Cover – A1A- cell A19 | The country of localization of risk split presents an issue for entities that insures movable risks. For instance Marine insurers: Where premium might be tied to a specific country, which is based on where the insured / ship is located, the claims paid might be tied to an entirely different country due to the fact that a ship can be in any country at any given time and could incur a loss as it travels around the globe.. Is it the intention to be able to match claims to premiums as this could present an issue. | Please see Com. 26 |
| 64. | CFO Forum & CRO Forum | | Cover – A1A- cell A1A | Earned premiums contradict concept of cash flows | Noted. Earned premium are given in comparison with the written premium |
| 65. | German Insurance Association (GDV) | | Cover – A1A- cell A1A | This comment applies to Cover AIA cells – A1A – C1A.  The labelling of the major lines (premiums written, claims and expenses paid) would  still point more to a cashflow rather than a P&L view (pls. refer to Cover - A1A & Q- General), but:  - What is then the intention of the line “premiums earned”? This would only be meaningful for an overall P&L perspective (incl. deferrals required by the matching principle). But then also the change in reserves and the deferral of acquisition costs must be included in the subsequent lines « claims paid » and « expenses paid ». Currently the picture of requirements shows a mix of P&L and a potential cash flow view .  Earned premiums contradict concept of cash flows | Please see Com. 16 and 64 |
| 66. | Thomas Miller & Co Ltd | | Cover – A1A- cell A20 | Refer to comments in A1A – Cell A19 | Noted |
| 67. | Thomas Miller & Co Ltd | | Cover – A1A- cell A21 | Refer to comments in A1A – Cell A19 | Noted |
| 68. | Thomas Miller & Co Ltd | | Cover – A1A- cell A22 | Refer to comments in A1A – Cell A19 | Noted |
| 69. | German Insurance Association (GDV) | | Cover – A1A- cell A3 | Please refer to Cover A1 – General.  In some countries, reporting of workers compensation insurance may prove problematic where it is split by HSLT and HNSLT. | Noted. |
| 70. | German Insurance Association (GDV) | | Cover – A1A- cell B1 | includes both proportional Group externally assumed reinsurance business as well as internally assumed reinsurance business (see example in section Cover - A1A & Q- Groups) | Please see the answer to n. 44 |
| 71. | CFO Forum & CRO Forum | | Cover – A1A- cell B1A | Earned premiums contradict concept of cash flows | Please see Com. 64 |
| 72. | German Insurance Association (GDV) | | Cover – A1A- cell B1A | Earned premiums contradict concept of cash flows | Please see Com. 64 |
| 73. | German Insurance Association (GDV) | | Cover – A1A- cell B2 | • Cell only contains Group external non-proportional reinsurance business. Group internal reinsurance business (both proportional and non-proportional), has to be reported in the same LoB as the cedent, i.e. in the non-life obligations area with in total 12 LoBs. This ensures that the profitability of these LoBs is corrected stated as intra-group transactions are either netted or eliminated (question on consolidation vs. simple summing up pls. refer to Cover - A1A & Q- Groups). | Please see the answer to n. 44 |
| 74. | German Insurance Association (GDV) | | Cover – A1A- cell C1 | • includes both proportional Group externally ceded reinsurance as well as internally ceded reinsurance business (see example in section Cover - A1A & Q- Groups) | Please see the answer to n. 44 |
| 75. | CFO Forum & CRO Forum | | Cover – A1A- cell C1A | Earned premiums contradict concept of cash flows | Please see Com. 64 |
| 76. | German Insurance Association (GDV) | | Cover – A1A- cell C1A | Earned premiums contradict concept of cash flows | Please see Com. 64 |
| 77. | German Insurance Association (GDV) | | Cover – A1A- cell E1 | This comment applies to cells Cover A1A cells - E1 – H1 and L1 – N1.  By excluding salvage and subrogation makes reporting substantially more difficult for most EEA entities.  Further clarification required:   Does this template follow pre IFRS deposit accounting reporting, i.e. all claims made, or is just claims made on insurance contracts and not investment contracts? | Please see Com. 33  Please note that this template doesn’t follow IFRS accounting but Solvency II rules. |
| 78. | RSA Insurance Group plc | | Cover – A1A- cell E1 | Excluding salvage and subrogation from claims paid (and the whole form, in fact) seems to be nonsensical – the form is missing an important element of insurance cash inflows.  Also, this exclusion makes reporting substantially more difficult for most EEA non-life entities. Salvage and subrogation data are not required to be separated out for the calculation of non-life technical provisions (Article 21bis, November 2011 draft Level 2 text), so these are not data that most non-life undertakings currently hold. Without understanding why such data are being insisted upon (no justification has been provided thus far), it is difficult to suggest an alternative. | Please see Com. 33 |
| 79. | Thomas Miller & Co Ltd | | Cover – A1A- cell E1 | The LOG states that claims paid should be included without taking account of salvages and subrogations. This seems to be an onerous activity as many insurers do not identify these types of recoveries separately. | Please see Com. 33 |
| 80. | Association of British Insurers (ABI) | | Cover – A1A- cell E1A | Administrative expenses need to be defined in more detail. How do the expenses included under this heading differ to those included as “overhead” expenses and “other” expenses? | Please see Com. 6 and 24 |
| 81. | Deloitte Touche Tohmatsu | | Cover – A1A- cell E1A | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 6 and 24 |
| 83. | German Insurance Association (GDV) | | Cover – A1A- cell E1A | Further clarification required:   We query if this cell will follow the classification used by the undertaking in their IFRS accounts of Operating Expenses?   The term used in the reporting template is now Expenses – defined in the summary as “acquisition costs + administration expenses” but in the LOG as ‘operating expenses’. Clarification would be helpful on this.   We would also ask for clarification on the definition for “operating expenses”: for instance, whether claims handling costs are operating expenses or claims costs? The item’s name seems to suggest all expenses, however the definition states it is just operating expenses. | Please see new definition in the LOG file  Not clear. There is no reference to operating expenses in the LOG file.  Please see new definition in the LOG file. |
| 84. | KPMG | | Cover – A1A- cell E1A | It would be useful to clarify the differences between the administrative expenses (E1A – H1A) and overhead expenses (E1E – H1E). Clarification is also necessary on the meaning of “related to recognized insurance and reinsurance obligations”.  For groups reporting, clarification is required on the reporting scope of expenses being incurred, for example whether they relate to (re)insurance entities only or all group participations. | Only insurance business is concerned in this template |
| 86. | Thomas Miller & Co Ltd | | Cover – A1A- cell E1A | Administrative expenses are to be recorded separately for each class of business, between insurance and reinsurance, and for country based on localization of risk. Guidance on how to allocate central costs will be helpful. | Please see Com. 6 and 24 |
| 87. | Deloitte Touche Tohmatsu | | Cover – A1A- cell E1B | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 88. | Federation of Finnish Financial Services | | Cover – A1A- cell E1B | Comment is only for non-life insurance: The required split into gross-direct business, gross reinsurance accepted and reinsurers share is not carried out by many insurers. We propose to report the investment management expense in total instead. | Please see Com. 6 |
| 89. | German Insurance Association (GDV) | | Cover – A1A- cell E1B | • What do « claims paid » represent ? Concept needs to be consistent with the premium concept (i.e. pure cash flows, ultimates vs. P&L view ; see also Country - K1- cell A1). If a P&L perspective is required then the deferral « change in reserves » (no cashflows) have to be included as well  • What is the scope of « claims paid » ? Current and prior year claims ? Why are salvages and subrogations excluded? In some LoBs the concept of salvages and subrogations is an essential part of the business model (e.g. credit insurance). | Noted.  Please see Com. 23 and 33 |
| 90. | Lloyd’s | | Cover – A1A- cell E1B | This comment also relates to F1B and G1B  We do not support the proposed requirement to report expenses, for example, investment management expenses by Line of Business (LOB). This is because some of these expenses are not managed on a LOB basis and any such reporting could potentially lead to arbitrary allocation of these expenses. | Please see Com. 6 |
| 91. | Thomas Miller & Co Ltd | | Cover – A1A- cell E1B | Investment management expenses are to be recorded separately for each class of business, between insurance and reinsurance, and for country based on localization of risk. Guidance on how to allocate central costs will be helpful. | Please see Com. 6 and 24 |
| 92. | Deloitte Touche Tohmatsu | | Cover – A1A- cell E1C | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 93. | Association of British Insurers (ABI) | | Cover – A1A- cell E1D | A more detailed definition of “Acquisition expenses” is required. Does this refer purely to commissions or should this include other direct & indirect acquisition costs incurred. | Please see definition in LOG and comment. 24. According to L3: ‘Acquisition expenses include expenses which can be identified at the level of individual insurance contract and have been incurred because the undertaking has issued that particular contract. These are commission costs, costs of selling, underwriting and initiating an insurance contract that has been issued.‘  Commissions are only a part of acquisition expenses and represent amount paid to insurance agents.  Please note that LOGs for A1 and K1 where changed. |
| 94. | Deloitte Touche Tohmatsu | | Cover – A1A- cell E1D | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 96. | German Insurance Association (GDV) | | Cover – A1A- cell E1D | This comment applies to Cover – A1A – cells E1D – G1D.  We query how are Acquisition expenses are to be defined? Is this similar to commissions as defined in Country K1 cells E1-E4? | Please see Com. 93 |
| 97. | Lloyd’s | | Cover – A1A- cell E1D | This also relates to F1D and G1D  What is the definition of acquisition costs ? Is this similar to the commission amount required in Country-K1, cells E1-E4 ?  Clear definition of what is included in acquisition costs should be provided. | Please see Com. 93 |
| 99. | Association of British Insurers (ABI) | | Cover – A1A- cell E1E | A more detailed definition of “Overhead expenses” is required. | Please see Com. 24 |
| 100. | Deloitte Touche Tohmatsu | | Cover – A1A- cell E1E | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. | Please see Com. 24 |
| 102. | German Insurance Association (GDV) | | Cover – A1A- cell E1E | more precise definition which loss statement items is meant | Please see Com. 24 |
| 104. | KPMG | | Cover – A1A- cell E1E | It would be useful to have further guidance on the presentation of overhead expenses when the entity is using a different way of costs allocation across the business (other than across the S2 LoBs). Should they be allocated for the purposes of this report or reported in line H1F/R ?  Cell H1G/S total expenses  is defined as the amount of all expenses corresponding to countries covered by the template. It could be read that the template only covers data for the 5 major countries for which data is provided in the columns A19-23 and I7-11. Is that the intention or is the template presenting complete data for the whole business of the undertaking ?  See also comments for row A1A- cell E1A. | For SII purposes the reporting should follow the SII allocation to LoBs.  H1H (H2G for quarterly) and S2 should present the amount of all expenses with regard to countries indicated in Top 5 countries (or less than 5 when they present at least 90% of written premiums). |
| 105. | RSA Insurance Group plc | | Cover – A1A- cell E1E | The LOG definition of overhead expenses is very vague, avoiding an actual definition altogether. The LOG should stipulate the types of expenses to be included or, instead, the types of expenses to be excluded (if any). | Please see Com. 24 |
| 106. | Thomas Miller & Co Ltd | | Cover – A1A- cell E1E | Administrative expenses are to be recorded separately for each class of business, between insurance and reinsurance, and for country based on localization of risk. Guidance on how to allocate central costs will be helpful. | Please see Com. 24 |
| 107. | RSA Insurance Group plc | | Cover – A1A- cell F1 | See E1 | Noted |
| 108. | Deloitte Touche Tohmatsu | | Cover – A1A- cell F1A | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 24  There is no intention to provide additional threshold. |
| 109. | Thomas Miller & Co Ltd | | Cover – A1A- cell F1A | Refer to comments in A1A cell E1A above | Noted |
| 110. | Deloitte Touche Tohmatsu | | Cover – A1A- cell F1B | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 111. | Federation of Finnish Financial Services | | Cover – A1A- cell F1B | See comment in E1B | Noted |
| 112. | Thomas Miller & Co Ltd | | Cover – A1A- cell F1B | Refer to comments in A1A cell E1A above | Noted |
| 113. | Deloitte Touche Tohmatsu | | Cover – A1A- cell F1C | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 114. | Deloitte Touche Tohmatsu | | Cover – A1A- cell F1D | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 115. | Deloitte Touche Tohmatsu | | Cover – A1A- cell F1E | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. | Noted |
| 116. | RSA Insurance Group plc | | Cover – A1A- cell F1E | See cell E1E. | Noted |
| 117. | Thomas Miller & Co Ltd | | Cover – A1A- cell F1E | Refer to comments in A1A cell E1A above | Noted |
| 118. | RSA Insurance Group plc | | Cover – A1A- cell G1 | See E1 | Noted |
| 119. | CFO Forum & CRO Forum | | Cover – A1A- cell G1A | For Reinsurers: only the net reinsurance information of the administrative expenses is available as it is does not affect the ceded reinsurance. We propose EIOPA allow simplifications to cater for this. | The split is required also for reinsurance undertakings. |
| 120. | Deloitte Touche Tohmatsu | | Cover – A1A- cell G1A | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 108 |
| 121. | Federation of Finnish Financial Services | | Cover – A1A- cell G1A | The allocation of expenses for reinsurance doesn’t reflect the nature of non-proportional lines and therefore the results may be artificial and insconsistent between company’s. | Noted |
| 122. | Thomas Miller & Co Ltd | | Cover – A1A- cell G1A | Refer to comments in A1A cell E1A above | Noted |
| 123. | Deloitte Touche Tohmatsu | | Cover – A1A- cell G1B | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 124. | Federation of Finnish Financial Services | | Cover – A1A- cell G1B | Comment is only for non-life insurance : The allocation of expenses for reinsurance doesn’t reflect the nature of non-proportional lines and therefore the results may be artificial and insconsistent between company’s.  See comment in E1B. | Noted |
| 125. | Thomas Miller & Co Ltd | | Cover – A1A- cell G1B | Refer to comments in A1A cell E1A above | Noted |
| 126. | Deloitte Touche Tohmatsu | | Cover – A1A- cell G1C | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 127. | Federation of Finnish Financial Services | | Cover – A1A- cell G1C | Comment is only for non-life insurance : The allocation of expenses for reinsurance doesn’t reflect the nature of non-proportional lines and therefore the results may be artificial and insconsistent between company’s. | Noted |
| 128. | Deloitte Touche Tohmatsu | | Cover – A1A- cell G1D | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 129. | Federation of Finnish Financial Services | | Cover – A1A- cell G1D | Comment is only for non-life insurance : The allocation of expenses for reinsurance doesn’t reflect the nature of non-proportional lines and therefore the results may be artificial and insconsistent between company’s. | Noted |
| 130. | Deloitte Touche Tohmatsu | | Cover – A1A- cell G1E | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. | Noted |
| 131. | Federation of Finnish Financial Services | | Cover – A1A- cell G1E | Comment is only for non-life insurance : The allocation of expenses for reinsurance doesn’t reflect the nature of non-proportional lines and therefore the results may be artificial and insconsistent between company’s. | Noted |
| 132. | German Insurance Association (GDV) | | Cover – A1A- cell G1E | Aplies to H1F:  • What are other expenses? Should they only comprise expenses related to the underwriting activities are something else?  • What is the purpose of their inclusion? If they are not part of the profitability assessment of single LoBs, then they could also be deleted.  Applies to H1H:  • Why is it not required to deliver expenses split by country ? How should an profitability assessment per country be possible without the expense split ? | Please see Com. 24  EIOPA considers that this might be too burdensome for undertakings. Also the purpose of this template isn’t to have a profitability assessment. |
| 133. | RSA Insurance Group plc | | Cover – A1A- cell G1E | See cell E1E. | Noted |
| 134. | Thomas Miller & Co Ltd | | Cover – A1A- cell G1E | Refer to comments in A1A cell E1A above | Noted |
| 135. | Association of British Insurers (ABI) | | Cover – A1A- cell I1 | The definitions of written and earned premiums given seem more applicable to non-life business than to life business.  There is currently no distinction drawn between written and earned premiums for life business and the accounting systems only record premiums one way. It would be extremely onerous to have to change the basis of recognition of premiums to show them two different ways.  In any case, the basis of recognition of premiums has to be consistent with the way that premiums are recognised in the valuation of technical provisions (which they are currently for regulatory reporting and accounts). If there are two ways of recognising premiums then this would need to be reflected in two different sets of technical provisions. This does not seem proportionate. | Definition will be provided in L2. |
| 136. | Royal London Group | | Cover – A1A- cell I1 | The definitions of written and earned premiums given seem more applicable to non-life business than to life business.  There is currently no distinction drawn between written and earned premiums for life business and the accounting systems only record premiums one way. It would be extremely onerous to have to change the basis of recognition of premiums to show them two different ways.  In any case, the basis of recongition of premiums has to be consistent with the way that premiums are recognised in the valuation of technical provisions (which they are currently for regulatory reporting and accounts). If there are two ways of recognising premiums then this would need to be reflected in two different sets of technical provisions. This does not seem proportionate. | Please see Com. 135 |
| 137. | German Insurance Association (GDV) | | Cover – A1A- cell I10 | Please refer to Cover - A1- cell A19. | Noted |
| 138. | German Insurance Association (GDV) | | Cover – A1A- cell I11 | Please refer to Cover - A1- cell A19. | Noted |
| 139. | The Phoenix Group | | Cover – A1A- cell I11 | Earner premiums are not currently calculated for Life business. Is reporting on this basis required? | Yes. |
| 140. | Association of British Insurers (ABI) | | Cover – A1A- cell I11A | Earned Premiums are not currently calculated for life business. This is a new requirement as TP-E5, which originally carried this information, was non-life only. Is this correct? | A1 is required from life and non-life undertakings. |
| 141. | Federation of Finnish Financial Services | | Cover – A1A- cell I11A | Cell I1A : The premium written is not clearly specified. There’s on row for it but 2 specifications: Earned premiums in any 12 months and Earned premiums. the first is for risk exposure and part of written premium and the latter due to received in the period and for also to all expenses and commissions but excluding the cherges.  We don’t know what is wanted. The quarter report needs 3 months? | Definitions will be provided in L2. |
| 142. | German Insurance Association (GDV) | | Cover – A1A- cell I11A | The comments in this cell refer to Cover - A1A – I1A for which there is no corresponding feedback cell in this template.  Earned Premiums are not currently calculated for life business. This is a new requirement as TP-E5, which originally carried this information, referred to non-life only. Clarification on our interpretation would be helpful.  The LOG document provides for 2 types of earned premiums - Earned premiums in any 12 month period and Earned premiums. The first is for risk exposure and part of written premium and the latter, due to be received in the period and also for all expenses and commissions, but excluding the charges. It is very unclear to us what is required. The cell should specifically refer to one requirement otherwise there will be confusion over the amount reported. | Please see Com. 140  Please see Com. 141 |
| 143. | NFU Mutual | | Cover – A1A- cell I11A | Earned Premiums are not currently calculated for Life Business. This is a new requirement as for TP-E5 which originally carried this information was non-life only. Is this correct ? | Please see Com. 140 |
| 144. | German Insurance Association (GDV) | | Cover – A1A- cell I3B | The required split into premiums written,premium earned etc. for annuities cannot be fulfilled by all insurers, especially by SMEs. Here, we propose to use aggregates instead. | Noted, but don’t understand why. |
| 145. | German Insurance Association (GDV) | | Cover – A1A- cell I6 | To allow for analysis at the level of major LOB, systems mapping changes will be required. | Noted |
| 146. | German Insurance Association (GDV) | | Cover – A1A- cell I7 | Please refer to Cover - A1- cell A19. | Noted |
| 147. | German Insurance Association (GDV) | | Cover – A1A- cell I8 | Please refer to Cover - A1- cell A19. | Noted |
| 148. | German Insurance Association (GDV) | | Cover – A1A- cell I9 | Please refer to Cover - A1- cell A19. | Noted |
| 149. | Federation of Finnish Financial Services | | Cover – A1A- cell J1 | The non-proportional reinsurance can not be allocated. The line should be removed. | Noted |
| 150. | German Insurance Association (GDV) | | Cover – A1A- cell J1 | The non-proportional reinsurance cannot be allocated to this cell. Please refer to Cover A1A – General Comments. | Please note that for life LoBs there is no distinctions between proportional and non-proportional reinsurance |
| 151. | Association of British Insurers (ABI) | | Cover – A1A- cell J1A | Earned Premiums are not currently calculated for life business. This is a new requirement as TP-E5, which originally carried this information, was non-life only. Is this correct? | Please see Com. 140 |
| 152. | NFU Mutual | | Cover – A1A- cell J1A | Earned Premiums are not currently calculated for Life Business. This is a new requirement as for TP-E5 which originally carried this information was non-life only. Is this correct ? | Please see Com. 140 |
| 153. | Association of British Insurers (ABI) | | Cover – A1A- cell L1 | The definition refers to claims paid. This implies that this is required on a cash basis. It would be more meaningful if it was on an accruals basis. | Please see Com. 52 |
| 154. | Royal London Group | | Cover – A1A- cell L1 | The definiton refers to claims paid. This implies that this is required on a cash basis. It would be more meaningful if it was on an accruals basis. | Please see Com. 52 |
| 155. | Association of British Insurers (ABI) | | Cover – A1A- cell L1A | This comment applies to all the expenses cells – L1 to P1. The Log refers to expenses ‘paid’. This implies that these should be on a cash basis. This should be changed to an accruals basis as this is the way that expenses are recorded and used by management.  This comment applies to all expenses cells L1 to P1. The template asks for expenses gross and net of reinsurance. The Log definition is ‘share ceded to reinsurance’. Expenses are not ceded to reinsurers. The reinsurers’ share of expenses lines should be deleted.  The definition of admin expenses is not clear. For example it is not clear what would be included here and not in overheads and vice-versa.  It would be much simpler if there was a single category of expenses, as on A1Q. Alternatively there should be fewer categories of expenses, for example :  Acquisition costs, investment management costs, costs of servicing business (including claims) and other. | Please see Com. 52  Noted but not agreed. It was decided to leave the reinsurers’ share.  Please see Com. 24 |
| 156. | Deloitte Touche Tohmatsu | | Cover – A1A- cell L1A | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 108 |
| 157. | German Insurance Association (GDV) | | Cover – A1A- cell L1A | Clarification is required on what is meant by “expenses paid” for life business? | Please see Com. 24 |
| 158. | Royal London Group | | Cover – A1A- cell L1A | This comment applies to all the expenses cells – L1 to P1. The Log refers to expenses ‘paid’. This implies that these shouldbe on a cash basis. This should be changed to an accruals basis as this is the way that expenses are recorded and used by management.  This comment applies to all expenses cells L1 to P1. The template asks for expenses gross and net of reinsurance. The Log definition is ‘share ceded to reinsurance’. Expenses are not ceded to reinsurers. The reinsurers’ share of expenses lines should be deleted.  The definition of admin expenses is not clear. For example it is not clear what would be included here and not in overheads and vice-versa.  It would be much simpler if there was a single category of expenses, as on A1Q. Alternatively there should be fewer categories of expenses, for example :  Acquisition costs, investment management costs, costs of servicing business (including claims) and other. | Please see Com. 155 |
| 159. | Association of British Insurers (ABI) | | Cover – A1A- cell M1A | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Please see Com. 155 |
| 160. | Deloitte Touche Tohmatsu | | Cover – A1A- cell M1A | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 108 |
| 161. | Royal London Group | | Cover – A1A- cell M1A | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Please see Com. 155 |
| 162. | Deloitte Touche Tohmatsu | | Cover – A1A- cell O1 | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 163. | Deloitte Touche Tohmatsu | | Cover – A1A- cell O1A | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 164. | Association of British Insurers (ABI) | | Cover – A1A- cell O1B | The log definition of ‘acquisition’ expenses would seem to only include commission and sales staff costs. Should other costs related to writing new business, e.g. underwriting, be under admin expenses? | Please see Com. 93 |
| 165. | Deloitte Touche Tohmatsu | | Cover – A1A- cell O1B | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 166. | Royal London Group | | Cover – A1A- cell O1B | The log definition of ‘acquisition’ expenses would seem to only include commission and sales staff costs. Should other costs related to writing new business, eg underwriting, be under admin expenses ? | Please see Com. 93 |
| 167. | Association of British Insurers (ABI) | | Cover – A1A- cell O1C | The log definition states that this includes overheads incurred in servicing business. Does this mean direct costs for servicing business are in admin expenses? We do not believe that this split provides useful or meaningful information. | Please see Com. 24 |
| 168. | Deloitte Touche Tohmatsu | | Cover – A1A- cell O1C | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 108 |
| 169. | German Insurance Association (GDV) | | Cover – A1A- cell O1C | more precise definition which loss statement items is meant | Please see Com. 24 |
| 171. | Royal London Group | | Cover – A1A- cell O1C | The log definition states that this includes overheads incurred in servicing business. Does this mean direct costs for servicing business are in admin expenses. We do not believe that this split provides useful or meaningful information. | Please see Com. 24 |
| 172. | Association of British Insurers (ABI) | | Cover – A1A- cell P1 | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 173. | Deloitte Touche Tohmatsu | | Cover – A1A- cell P1 | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 174. | Royal London Group | | Cover – A1A- cell P1 | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 175. | Association of British Insurers (ABI) | | Cover – A1A- cell P1A | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 176. | Deloitte Touche Tohmatsu | | Cover – A1A- cell P1A | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 177. | Royal London Group | | Cover – A1A- cell P1A | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 178. | Association of British Insurers (ABI) | | Cover – A1A- cell P1B | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 179. | Deloitte Touche Tohmatsu | | Cover – A1A- cell P1B | The split in expenses paid may be challenging to provide for smaller undertakings. | Noted |
| 180. | Royal London Group | | Cover – A1A- cell P1B | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 181. | Association of British Insurers (ABI) | | Cover – A1A- cell P1C | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 182. | Deloitte Touche Tohmatsu | | Cover – A1A- cell P1C | The split in expenses paid may be challenging to provide for smaller undertakings – especially the differentiation between administrative and overhead costs. Therefore we suggest to provide extra guidance whether this split is required for small and medium-sized undertakings, and if not specify a threshold. | Please see Com. 108 |
| 183. | Royal London Group | | Cover – A1A- cell P1C | See comment in L1A above. Reinsurers’ share of expenses is meaningless and should be deleted. | Noted |
| 184. | Groupe Consultatif | | Cover – A1Q- cell A19 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | EIOPA considers that this is essential data and only required on aggregated level. |
| 186. | Thomas Miller & Co Ltd | | Cover – A1Q- cell A19 | Refer to comments in A1A – Cell A19 | Noted |
| 187. | Groupe Consultatif | | Cover – A1Q- cell A20 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 188. | Thomas Miller & Co Ltd | | Cover – A1Q- cell A20 | Refer to comments in A1A – Cell A19 | Noted |
| 189. | Groupe Consultatif | | Cover – A1Q- cell A21 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 190. | Thomas Miller & Co Ltd | | Cover – A1Q- cell A21 | Refer to comments in A1A – Cell A19 | Noted |
| 191. | Groupe Consultatif | | Cover – A1Q- cell A22 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 192. | Thomas Miller & Co Ltd | | Cover – A1Q- cell A22 | Refer to comments in A1A – Cell A19 | Noted |
| 193. | Groupe Consultatif | | Cover – A1Q- cell A23 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 194. | German Insurance Association (GDV) | | Cover – A1Q- cell B1 | See Cover - A1A- cell B1 | Noted |
| 196. | German Insurance Association (GDV) | | Cover – A1Q- cell B2 | See Cover - A1A- cell B2 | Noted |
| 197. | German Insurance Association (GDV) | | Cover – A1Q- cell C1 | See Cover - A1A- cell B13 | Noted |
| 198. | German Insurance Association (GDV) | | Cover – A1Q- cell E1 | See Cover - A1A- cell C1 | Noted |
| 199. | RSA Insurance Group plc | | Cover – A1Q- cell E1 | See A1A above. | Noted |
| 200. | German Insurance Association (GDV) | | Cover – A1Q- cell E1Z | • What do « expenses paid » represent ? Concept needs to be consistent with the premium concept (i.e. pure cash flows, ultimates vs. P&L view ; see also Country - K1- cell A1). If a P&L perspective is required then the deferrals (e.g. deferred acquisition costs, no cashflows) have to be included as well. | Please see Com. 52 |
| 201. | KPMG | | Cover – A1Q- cell E1Z | See comments for Cover - A1A- cell E1E | Noted |
| 202. | German Insurance Association (GDV) | | Cover – A1Q- cell F1 | See Cover - A1A- cell E1 | Noted |
| 204. | German Insurance Association (GDV) | | Cover – A1Q- cell F1Z | See Cover - A1A- cell E1Z | Noted |
| 206. | German Insurance Association (GDV) | | Cover – A1Q- cell G1 | See Cover - A1A- cell F1 | Noted |
| 207. | German Insurance Association (GDV) | | Cover – A1Q- cell G1Z | See Cover - A1A- cell E1Z | Noted |
| 208. | German Insurance Association (GDV) | | Cover – A1Q- cell I1 | Applies to H2G: Why is it not required to deliver expenses split by country ? How should an profitability assessment per country be possible without the expense split ? | Please see Com. 132 |
| 209. | XL Group plc | | Cover – A1Q- cell I1 | It is not clear from the LOG what expenses should be included in the ‘other expenses’ category, Cell H1F. This needs further clarification. | Please see Com. 132 |
| 210. | Groupe Consultatif | | Cover – A1Q- cell I10 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 132 |
| 211. | Groupe Consultatif | | Cover – A1Q- cell I11 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 212. | Deloitte Touche Tohmatsu | | Cover – A1Q- cell I3A | The split of annuities into health and non-health is new. We recommend to consider an annual reporting to start with, and then gradually move to a semi-annually or quarterly reporting. | Noted |
| 213. | Deloitte Touche Tohmatsu | | Cover – A1Q- cell I3B | The split of annuities into health and non-health is new. We recommend to consider an annual reporting to start with, and then gradually move to a semi-annually or quarterly reporting. | Noted |
| 214. | Groupe Consultatif | | Cover – A1Q- cell I7 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 215. | Groupe Consultatif | | Cover – A1Q- cell I8 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 216. | Groupe Consultatif | | Cover – A1Q- cell I9 | Splitting by country quarterly might be disproportionate, (especially given Country-K1 is only required annually) | Please see Com. 184 |
| 219. | CEA | | Cover-A1A & Q- Benefits | Please refer to Cover-A1- General. | Noted |
| 220. | CEA | | Cover-A1A & Q- Costs | Please refer to Cover-A1-General. | Noted |
| 221. | CEA | | Cover-A1A & Q- Disclosure | CEA supports EIOPA’s move towards developing a simplified template for public disclosure and we propose that this template also be used for supervisory purposes. We do not see how the split of expenses into sub categories enhances the insight in activities per LOB. | Please see Com. 6 |
| 222. | CEA | | Cover-A1A & Q- Frequency | We believe that any quarterly reporting should allow for the use of approximations.  For reinsurance, especially for non-proportional business, payments for ceded business are often accounted for only on a yearly basis. Quarterly reporting on the reinsurer’s share would be incomplete therefore an annual frequency for reporting this information should be required.  Also, settlement of reinsurance may only take place twice a year (some treaties only once per year). Usually the first settlement during the year is based an approximation and only the final settlement at year end is based on real experience. Therefore net values could not be calculated quarterly.  A materiality threshold could be applied here for example, if the reinsurance share accounts X% (to be determined) of total technical provisions, no quarterly reporting of reinsurance business would apply. | EIOPA considers that insurers should be able to accurately estimate reinsurance share even the treaty is based on a quota share or a non proportional.  Please see Com. 19 |
| 223. | CEA | | Cover-A1A & Q- General | This template includes a mix of statutory accounting principles (premiums written and premiums earned) and Solvency II cash flow basis (claims and expenses). This will be incredibly difficult to present as a common set of definitions will not be understood across both accounting and Solvency II. It should be very clear in the LOG which set of data is required from each discipline to avoid confusion and facilitate presentation in one template.  Although premiums and claims can easily be divided into product types, “expenses paid” are not always precisely allocated to contracts or parts of the portfolio. There is room for judgement, especially in relation to overhead expenses. This template may require changes in the data source extraction and judgment on how to present/allocate “expenses paid” between different types of portfolio (contracts).  In general, we question the use of the term “paid”, particularly when applied to “expenses paid”, it may be the case that some expenses are paid on a cash basis (where a physical payment has been made). This would be incredibly difficult to present in this template if accounting is done on an accrual basis.  It should be clear that when statutory accounting is the starting point, this would refer to the accounting standards practiced by the undertaking. The terminology used in the LOG should allow for the correct mapping of this.  Segmentation  We note that the segmentation used in this template is similar, but not identical, to that used in other templates, for example Technical Provisions Life. Reporting LOB at this aggregate level is consistent with the draft Level 2 text and we would propose that this approach is also applied to TP-F1 and F1Q i.e. the split of contracts with options and guarantees and without, should be removed. There are open issues on segmentation which also apply here, for example workers compensation. We query whether workers compensation must be split between SLT and NSLT, this would be burdensome.  Please note that for gross business and for the reinsurers’ share, 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 (Article 81 of the framework 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-proportional segment. In cases where the insurer accepts some non-proportional business, this has to be interpreted carefully.  In addition, for reinsurers the retro-ceded part of their business could be even more problematic regarding segmentation; assumed business could be non-proportional, whereas the ceded part could be retro-ceded as proportional business.  Split by country  The reinsurance business model means that they often insure a portfolio of risks as opposed to direct risks. This means that information per country will not be held by the reinsurer directly.  For example, some treaties with construction companies do not specify the location of the insured construction site but refer to any construction in a given year. Consequently data about localisation of risks (and premiums) is not available. The same applies to the actual residence of insured persons (Life).  It should be clarified that for reinsurers, the breakdown per country applies to the country of the cedent and not the location of risk. | Please see Com. 23, 52  Please see Com. 6, 24  Please see Com. 23  Please see definitions in the new LOG  Please see Com. 6 |
| 224. | CEA | | Cover-A1A & Q- Groups | This template should be manageable at group level however we would suggest removing the split by country (cells A19-A23); at group level this is an unnecessary requirement.  We query if it is required to eliminate group internal business or if it is sufficient to sum-up all of the subsidiaries within the group. For example:  A direct insurer writes EUR 100mn premiums externally (“Gross-Direct Business”: EUR 100mn). Of this EUR 100mn 30% is ceded internally of the Group (“Gross -Reinsurance accepted”: EUR 30mn; and “Reinsurer’s share”: EUR -30mn).  The screen-shot below shows the aggregation alternative. The advantages being that no sophisticated consolidation process is required and on a net basis, the profit contribution is correct. | Please see answer to n. 44 |
| 225. | CEA | | Cover-A1A & Q- Materiality | We support EIOPA’s initiative to introduce a materiality threshold however we are unable to provide feedback on proposed percentage (90%) within the timeframe of this consultation. | Noted |
| 226. | CEA | | Cover-A1A & Q- Purpose | Please refer to Cover-A1-General. | Noted |
| 227. | CEA | | Cover-A1A- cell A1 | This comment applies to Cover-A1A-cells A1 to D1.  It would be helpful to clarify if proportionality applies to the reporting of premiums and claims by LOB, especially where activity is small. Otherwise, providing such data would become unduly onerous.  The definition provided in the LOG states that written premiums should be defined as “all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later financial year”.  What is not clear is whether this should take into consideration the undertaking’s credit arrangements, for example if this should include premiums from contracts entered into in the financial year regardless of whether they are not due because of insurer allowing a credit period to the insured. Also, we query how to treat written premiums paid in instalments, for example if it should follow pre-IFRS deposit accounting reporting, i.e. all premiums received, or just premiums received on insurance contracts and not investment contracts.  We propose that the definition of written premiums should be as follows: Premiums due from the insurance contracts written in the financial year regardless of the fact that such amounts may relate in whole or in part to a later financial year.  Further clarification required:   Whether this cell refers to all premiums received or just premiums received on insurance contracts and not investment contracts.   How is the location of risk defined in cargo insurance?   Only premiums and claims paid are mentioned. Should not commissions paid also be reported? | Noted  The template is to be reported by all undertakings.  Definition will be provided in L2.  It refers to all premiums received  Please see Com. 30 |
| 228. | CEA | | Cover-A1A- cell A19 | This comment applies to cells Cover-A1A-cells A19 to A23.  The business split according countries where the risk is located is, for some non-life business, not applicable. For Marine/ Transport, aircraft and goods in transit, a country cannot be specified and only worldwide exposure could be shown.  For Health insurance, the insured person might also be insured on travelling; therefore no country could be assigned.  The same holds for Life Reinsurance. Due to the fact, that worldwide coverage is provided, and that risks located in different countries are often 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 not useful.  Please refer to Cover-A1A-General for comments on reinsurers. | Please see Com. 26 |
| 229. | CEA | | Cover-A1A- cell A3 | In some countries, reporting of workers compensation insurance may prove problematic where it is split by HSLT and HNSLT. | Noted. |
| 230. | CEA | | Cover-A1A- cell E1 | Splitting salvage and subrogation from gross claims paid makes reporting substantially more difficult. | Please see Com. 33 |
| 231. | CEA | | Cover-A1A- cell E1B | The required split into gross-direct business, gross reinsurance accepted and reinsurers share is not carried out by many insurers. We propose to report the investment management expense in total instead. | Please see Com. 6 |
| 232. | CEA | | Cover-A1A- cell E1D | We query how are Acquisition expenses are to be defined and query if it is similar to commissions as defined in Country K1 cells E1-E4. This comment applies to Cover – A1A-cells E1D to G1D. | Please see Com. 24, 93 |
| 233. | CEA | | Cover-A1A- cell I10 | Please refer to Cover-A1-cell A19. | Noted |
| 234. | CEA | | Cover-A1A- cell I11 | Please refer to Cover-A1-cell A19. | Noted |
| 235. | CEA | | Cover-A1A- cell I11A | The comments in this cell refer to Cover-A1A-I1A for which there is no corresponding feedback cell in this template.  Earned Premiums are not currently calculated for life business. This is a new requirement as TP-E5, which originally carried this information, referred to non-life only. Clarification on our interpretation would be helpful.  The LOG document provides for 2 types of earned premiums, “earned premiums in any 12 month period” and “earned premiums”. The first is for risk exposure and part of the written premium. The latter is received in the period, includes all expenses and commissions, but excludes charges. It is very unclear to us what is required. The cell should specifically refer to one requirement otherwise there will be confusion over the data to be reported. | Please see Com. 140, 141 |
| 236. | CEA | | Cover-A1A- cell I3B | The required split into premiums written, premium earned etc. for annuities cannot be fulfilled by all insurers, especially by SMEs. Here, we propose to use aggregates instead. | Please see 144 |
| 237. | CEA | | Cover-A1A- cell I6 | To allow for analysis at the level of major LOB, systems mapping changes will be required. | Noted |
| 238. | CEA | | Cover-A1A- cell I7 | Please refer to Cover-A1-cell A19. | Noted |
| 239. | CEA | | Cover-A1A- cell I8 | Please refer to Cover-A1-cell A19. | Noted |
| 240. | CEA | | Cover-A1A- cell I9 | Please refer to Cover-A1-cell A19. | Noted |
| 241. | CEA | | Cover-A1A- cell J1 | Non-proportional reinsurance cannot be allocated to this cell. Please refer to Cover A1A–General. | Please see Com. 150 |
| 242. | CEA | | Cover-A1A- cell L1A | This comment applies to Cover-A1A-cells L1A to M1A. Please refer to Cover-A1A-General for comments on “expenses”.  High implementation costs are expected because of the required split of expenses (administrative, investment management, claims management etc. expenses) per LOB and countries.  Further clarification is required on what is meant by “expenses paid” for life business. | Noted  Please see Com. 24 |
| 243. | CEA | | Cover-A1A- cell O1 | This comment applies to Cover-A1A-cells O1 to P1. Please refer to Cover-A1A-General for comments on “expenses”.  Investment management expenses are not part of the “underwriting performance” and we question why they should be included here. | Please see Com. 24 |
| 244. | CEA | | Cover-A1A- cell O1C | This comment applies to Cover-A1A-cells O1C to O1P. Please refer to Cover-A1A-General for comments on “expenses”.  We query what is the is the definition of overhead expenses compared to administrative expenses and also why they are listed in this template. | See comment 24  The definitions are provided by L2 Implementing Measures |
| 245. | CEA | | Cover-A1Q- cell A1 | For comments related to Cover-A1Q cells, please refer to the equivalent cell in Cover-A1A. | Noted |