

CP-14-042		Comments Template on Consultation Paper on EIOPA Advice to the European Commission Equivalence assessment of the Bermudian supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23 January 2015 23:59 CET
Name of Company:	Bermuda International Long-Term Insurers and Reinsurers Association ("BILTIR")			
Disclosure of comments:	Please indicate if your comments should be treated as confidential:			Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment/response in the relevant row. If you have <u>no response</u> to a question, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments/responses which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-14-042@eiopa.europa.eu . Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the questions refers to Consultation Paper on EIOPA Advice to the European Commission; Equivalence assessment of the Bermudian supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive</p>				
Reference	Comment			
General comments	BILTIR was created to serve as a formal association representing the long-term (life) insurer and reinsurer group in Bermuda. At this time, BILTIR has 28 long term (re)insurers committed as full members. In addition, 15 companies representing accounting, insurance management and investment management firms hold associate memberships with BILTIR. More information about BILTIR can be found at: www.biltir.bm			

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	<p>BILTIR welcomes the findings of EIOPA’s recent assessment of the Bermudian supervisory system and appreciates the opportunity to comment on the report.</p> <p>Our 28 full members, representing many of the authorized insurers of Class C, D and E within Bermuda note the progress that has been made and recognize the current focus of the Bermuda Monetary Authority (“BMA”) on the outstanding matters, notably relating to public disclosure and the Economic Balance Sheet (EBS).</p> <p>Our members highlight the exceptional job that the BMA has undertaken in developing a modern and robust regime, already recognized by the US National Association of Insurance Commissioners (“NAIC”) as a Qualifying Jurisdiction and which, it would appear, is making significant strides towards being acknowledged as equivalent to the Solvency II regime. The BMA has developed a sound and competitive regime that attracts a supply of capital that ultimately provides (re)insurance policyholder protection and delivers value to policy holders as well as to ceding companies and their underlying assured.</p> <p>We note the recently issued BMA EBS consultation paper and draft legislation, intended to be implemented prior to the effective date of Solvency II, is consistent with the discussions that we have been having with the BMA on the Economic Balance Sheet and on public disclosure of GAAP financials and can attest to the determination and vigor with which full implementation is being pursued. We note the enabling legislation for the requirement for public disclosure of GAAP financials by Class C and D insurers was passed in 2012.</p> <p>The field testing for the Economic Balance Sheet is an important next phase, particularly for the long-term sector, consistent with experience and debate in Europe.</p>	
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46.	c) We note that EIOPA may want to further consider the public consultation underway and the related draft legislation that will ultimately enact the Economic Balance Sheet for the Long Term	

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	<p>(life, Class C, D and E) sector as well. BILTIR believes that these recent developments further demonstrate BMA's determination to implement the remaining changes for Class C, D and E entities and that this commitment is stronger than what is implied in the EIOPA's equivalence assessment. While further field testing is to take place the core foundations of valuation are defined. Our view is that field testing will seek to identify anomalies created by the application of the framework and we are not expecting fundamental changes. Thus our view is that the uncertainty of implementation is more limited than what is implied in the EIOPA report. Our view is that the move to a risk-based MSM is also clearly an established intent.</p>	
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49.	c) See our comments on 46c.	
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157.	We highlight our comments in relation to public disclosure in the general comments section.	
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Annex 1		
Annex 2		