

**Comments Template on  
Consultation Paper on EIOPA's second set of advice to the European  
Commission on specific items in the Solvency II Delegated Regulation**

**Deadline  
5 January 2018  
23:59 CET**

Name of Company:	Investment & Life Assurance Group	
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"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, <u>in Word Format</u>, to <a href="mailto:CP-17-006@eiopa.europa.eu">CP-17-006@eiopa.europa.eu</a></b></p> <p><b>Our IT tool does not allow processing of any other formats.</b></p> <p><b><u>The numbering of the reference refers to the sections</u></b> of the consultation paper on EIOPA's second set of advice to the European Commission on specific items in the Solvency II Delegated Regulation. Please indicate to which paragraph(s) your comment refers to.</p>		
<b>Reference</b>	<b>Comment</b>	
General Comment		
Introduction		
1.1		
1.1.1		
1.2.1		

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3.4.2		
3.4.3	<p>We welcome the maintenance of a stress that is simple to apply.</p> <p>Mortality - the increase from 15% to 25% is significant and is much higher than stresses firms are applying to Internal Models and in their ORSA. This would suggest the calibration is not appropriate for the UK.</p> <p>Longevity – not having a trend stress is a weakness. However firms with material longevity risk are likely to have an Internal Model or Partial Internal Model. The simple stress is more appropriate for smaller firms. We therefore welcome the no change conclusion.</p>	
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5.5.2.3		
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7.4.1		
7.4.2		
7.4.3	We agree that the current stresses are weak and inappropriate to measure interest rate risk in a low yield environment with negative interest rates. However the current stresses are easy to apply. The proposed stresses are not simple to apply or explain to stakeholders. This will make the ORSA work more difficult if you are modelling capital in stressed conditions.	
8.1		
8.2		
8.3		
8.4.1		
8.4.2		
8.4.3	We would welcome a review of the market risk concentration module. Alternative Option 2 seems to provide a fairer way of assessing the risk factor for SNE which include exposures to single insurer, credit or financial institution	
9.1		
9.2		
9.3		
9.4.1		
9.4.2	We support the change	
10.1		
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10.4.2.3		

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14.4.3		
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15.4.2		
15.4.3	We welcome this change	
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16.1		
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16.3.2		
16.3.3	Members preferred option would be a) to keep the current version of the Delegated Regulations and provide more guidance as this gives firms more flexibility in how they treat the consolidation of related undertaking.	
17.1		
17.2		
17.3		
17.4.1		
17.4.2	We welcome the clarifications made on the calculation of the LAC DT. We also welcome the possible simplified calculation. However, having to demonstrate that the taxable economic profits become fiscal profits as set out in paragraph 1378 may make the simplification too costly to justify for smaller firms.	
17.4.3		
18.1		
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