

Comments Template on EIOPA-CP-11/006 Response to Call for Advice on the review of Directive 2003/41/EC: second consultation		Deadline 02.01.2012 18:00 CET
Company name:	FNMF – Fédération Nationale de la Mutualité Française	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. <i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the left and by inserting the word Confidential.</i>	Public
<p>The question numbers below correspond to Consultation Paper No. 06 (EIOPA-CP-11/006).</p> <p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column “Question”. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ There are 96 questions for respondents. Please restrict responses in the row “General comment” only to material which is not covered by these 96 questions. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific question numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. <p>Please send the completed template to CP-006@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p>		
Question	Comment	
General comment	FNMF - Fédération Nationale de la Mutualité Française - gather 95% of french mutual societies. Gathering more than 500 mutual societies, from all sizes, FNMF members represent : - 15 billions euros of premiums on French health market (>50% of market share) in 2009 ;	

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	<p>- 27 billions euros of assets (25% of market share) on French pillar 3 pension market.</p> <p>Mutual societies have a non-lucrative object and do not remunerate shareholders through dividends. Apart from the potential technical and financial margin, saved as general reserves, they have a limited access to financial instruments to reinforce their own funds (no access to public offering)</p> <p>Mutual societies are governed by representatives, elected among and by the members of the mutual society.</p> <p>Given the governance of mutual societies, they are recognized as specific market players (with a social dimension) within French economy.</p> <p>Several French mutual societies provide pillar 3 pension benefits on an occupational basis and on an individual basis. Most of individual based pension schemes have an employment context because ditributed with agents of the Public Service, even if not formally contractualised.</p> <p>Given these previous initial comments, FNMf does not agree with key differences between IORPs and insurers as proposed by EIOPA especially in article 2.6.5.</p> <p>French mutual societies managing pension schemes are today under the scope of the Solvency 2 directive, since France made the choice to use the article 4 of the IORP directive.</p> <p>The first priority of EIOPA and European Commision should be to ensure a level playing field between pension schemes under the scope of the Solvency 2 directive and pension schemes under the scope of IORP directive.</p>	
1.	FNMf believes the different options are not complete. They do not take into account the impacts in terms of level playing field between pension schemes under the scope of the Solvency 2 directive and pension schemes under the scope of the IORP directive.	
2.		
3.	FNMf favours option 2, as long as level playing field is ensured between pension schemes under the scope of the Solvency 2 and pension schemes under the scope of IORP directive.	

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8.	FNMF fully supports obligations of strict administrative and patrimony ring-fencing in case of cross-border activity (option 2 of point 6.5). This principle is a mandatory one to ensure a level playing field between host member state and local member state.	
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12.	FNMF supports holistic balance sheet, as long as the same principles are opened for the undertakings falling under Solvency 2 directive.	
13.	<p>FNMF does not agree on valuation principles based on market value. This principle leads to transfer the volatility of the markets to the own funds of the undertaking. As an illustration of this volatility, here are, on a quaterly basis, the ratios Own funds/SCR provided by one of the mutual society, observed between 12.31.2007 and 09.31.2009 : 110% ; 130% ; 150% ; 120% ; 20% ; 60% ; 110% ; 150%.</p> <p>Such variations in own funds do not allow any assets and liabilities management on a consistent basis : pension management requires strategic decisions based on long-term horizon, and not "polluted" by erratic short term variations of market prices.</p>	
14.	As a consistent view with point 13, FNMF supports a valuation of liabilities based on transfert value principles.	
15.	FNMF does not agree on valuation principles based on market value.	
16.	FNMF does not agree on valuation principles based on market value.	
17.	FNMF does not agree on valuation principles based on market value.	
18.	FNMF does not agree on valuation principles based on market value.	
19.	FNMF does not agree on valuation principles based on market value.	
20.	FNMF does not agree on valuation principles based on market value.	

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21.	FNMF does not agree on valuation principles based on market value.	
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52.	Based on results from QIS5 and similar studies at later date, FNMf states that procyclicality may not be avoided within the standard formula. The principle driving procyclicality in management of undertakings is the valuation of assets and liabilities based on market value.	
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