

Comments Template on Implementing Technical Standards On the procedures to be followed for the approval of the application of a matching adjustment		Deadline 30 June 2014
Name of Company:	Equity Release Council	
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 in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-14-007@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering refers to Implementing Technical Standards on the procedures to be followed for the approval of the application of a matching adjustment.</p>		
Reference	Comment	
General Comment	<p>The Equity Release Council is the industry body for the equity release sector in the United Kingdom. Born from an expansion of the remit of SHIP (formerly Safe Home Income Plans), the Equity Release Council represents the providers, qualified financial advisors, lawyers, intermediaries and surveyors who work in the equity release sector. The Council has over 300 members. We also assist members of the public in accessing information on equity release – in 2013 we provided 739 information packs and received over 11,000 visits to our member directory from people looking for advice on equity release.</p> <p>Although the Council recognises that the legislation introduced by European Union was intended</p>	

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to reduce market disruption and help ensure that consumers are properly protected, our view is that some of the changes proposed may impact negatively on the ability of insurers to supply consumers with products which allow them to appropriately plan for their future.

As the legislation currently stands, a number of different types of assets, many of which are excellent long term investments, may be unable to qualify for the matching adjustment. Investments and assets which are ineligible for the matching adjustment are less attractive to buyers of these assets. Ultimately, this means that these assets may be less attractive to insurers of assets backing liabilities.

For the consumer this means that they are left with fewer products to choose from, including equity release. Consumers use products like equity release as a way of funding their retirement. Equity release allows individuals aged 55 and over to release money from the property they live in without having to make any monthly repayments, and can be used for a range of purposes, including social care. Ageing populations across Europe, particularly in the UK, mean that this option of paying for care is becoming increasingly important.

We believe that the conditions which allow good investments like equity release should be upheld. These products tend to be of low risk, but high benefit for those who seek them.

- Recital (1)
- Recital (2)
- Recital (3)
- Recital (4)
- Recital (5)
- Recital (6)
- Recital (7)

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Recital (8)		
Article 1 (1)		
Article 2 (1)		
Article 2 (3)		
Article 2 (4)		
Article 2 (5)		
Article 3 (1) a		
Article 3 (1) b	Article 3 (1) b should be amended to note that individual assets whose value represents less than 0.05% of the best estimate valuation of the portfolio of insurance, or reinsurance obligations to which the matching adjustment is intended to apply, do not need to be listed line-by-line, but can be shown in aggregate. For this purpose the best estimate valuation of the portfolio of insurance or reinsurance obligations is to be assessed in accordance with Article 76 of Directive 2009/138/EC without use of a Matching Adjustment or Volatility Adjustment.	
Article 3 (1) c		
Article 4 (1) a		
Article 4 (1) b		
Article 5 (1) a		
Article 5 (1) b		
Article 5 (1) c		
Article 5 (1) d		
Article 6 (1) a		
Article 6 (1) b		
Article 6 (1) c		

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Article 6 (1) d		
Article 6 (1) e		
Article 6 (1) f		
Article 7 (1)		
Article 7 (2)		
Article 7 (3)		
Article 7 (4)		
Article 7 (5)		
Article 7 (6)		
Article 7 (7)		
Article 7 (8)		
Article 7 (9)		
Article 7 (10)		
Article 8 (1)		
Article 8 (2)		
Article 8 (3)		
Article 8 (4)		
Article 8 (5)		
Article 8 (6)		
Article 9 (1) a		
Article 9 (1) b		
Article 9 (1) c		
Article 9 (2)		
Article 10 (1)		
Annex I: Problem definition		

