

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
Name of Company:	GROUP OF NORTH AMERICAN INSURANCE ENTERPRISES (GNAIE)	
Disclosure comments:	of EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. 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". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub bullets/subparagraphs, please indicate this in the comment itself. <p>Please send the completed template, in Word Format, to equivalence@eiopa.europa.eu . Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to Consultation Paper No. 03 (EIOPA-CP-04-11).</p>		
Reference	Comment	
General Comment	GNAIE would like to thank EIOPA for this opportunity to provide feedback on the EIOPA Draft Report- Equivalence Assessment of the Bermuda supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive. GNAIE is an association of North American Insurance companies and includes	

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
	<p>companies which are headquartered in and underwrite premiums from Bermuda. We believe that the Bermuda market is vitally important in the global reinsurance market and that it is appropriate that Bermuda be considered in the first wave of equivalence assessments.</p> <p>GNAIE was pleased to note EIOPA’s advice is that Bermuda meets the criteria set out in EIOPA’s methodology for equivalence assessments under Solvency II with respect to Articles 172 and 227 for Classes 3A, 3B and 4 (the commercial sector) and Article 260 for groups with certain caveats.</p> <p>We were, however, surprised at the level of detail in the assessment given the statements in CP 82 indicates that the equivalence review of third countries would be “a flexible process based on principles and objectives.” We would have expected that the focus of this review would have been more principles based and assessed on regulatory outcomes. We strongly recommend a reconsideration of the EIOPA review in this light.</p>	
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		
29.		
30.		

DRAFT

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
31.		
32.		
33.		
34.		
35.		
36.		
37.		
38.		
39.		
40.		
41.		
42.		
43.		
44.	<p>The report indicates that EIOPA cannot positively conclude on the current valuation framework “given the variety of different valuation standards available or on the proposed valuation standards, and given the material uncertainties which remain around the economic balance sheet framework being developed.” GNAIE agrees that there are many valid valuation methodologies used within the context of an economic balance sheet valuation other than what is articulated in the Solvency II Directive. The IAIS, in the development of ICP 14 on Valuation, struggled with this issue for years and is still working on revisions. EIOPA in CP 82 refers to compatibility with IFRS, but even The International Accounting Standards Board is also struggling with the process for developing the correct valuation method for insurance liabilities.</p> <p>This is one area in which a principles approach seem to be the appropriate benchmark the equivalence</p>	

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
	<p>review. The issue is whether the selected valuation method guarantees policyholder protection by ensuring that there are sufficient resources to meet the liabilities, looks at both the assets and the liabilities of the enterprise, is responsive to changes in the market and captures all the risks. These are the principles upon which Solvency II was based. Even though the Bermuda system is evolving in its details, as is Solvency II, it would seem that the objectives and approach of both systems are clear and compatible. We believe that on further examination, the BMA is establishing a system which meets these criteria and we would suggest a more positive assessment be given to the economic valuation approach being developed in Bermuda.</p>	
45.		
46.		
47.		
48.	See paragraph 44.	
49.		
50.		
51.		
52.		
53.		
54.		
55.		
56.		
57.	See paragraph 44.	

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
58.		
59.		
60.		
61.		
62.		
63.		
64.		
65.		
66.		
67.		
68.		
69.		
70.		
71.		
72.		
73.		
74.		
75.		
76.		
77.		
78.		

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
79.		
80.		
81.		
82.		
83.		
84.		
85.		
86.		
87.		
88.		
89.		
90.		
91.		
92.		
93.		
94.		
95.		
96.		
97.		
98.		
99.		

DRAFT

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
100.		
101.		
102.		
103.		
104.		
105.		
106.		
107.		
108.		
109.		
110.		
111.		
112.		
113.		
114.		
115.		
116.		
117.		
118.		
119.		
120.		

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
121.		
122.		
123.		
124.		
125.		
126.		
127.		
128.		
129.		
130.		
131.		
132.		
133.		
134.		
135.		
136.		
137.		
138.		
139.		
140.		
141.		

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
142.		
143.		
144.		
145.		
146.		
147.		
148.		
149.		
150.		
151.		
152.		
153.		
154.		
155.		
156.		
157.		
158.		
159.		
160.		
161.		
162.		

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
163.		
164.		
165.		
166.		
167.		
168.		
169.		
170.		
171.		
172.		
173.		
174.		
175.		
176.		
177.		
178.		
179.		
180.		
181.		
182.		
183.		

DRAFT

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
184.		
185.		
186.		
187.		
188.		
189.		
190.		
191.		
192.		
193.		
194.		
195.		
196.		
197.		
198.		
199.		
200.		
201.		
202.		
203.		
204.		

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
205.		
206.		
207.		
208.		
209.		
210.		
211.		
212.		
213.		
214.		
215.		
216.		
217.		
218.		
219.		
220.		
221.		
222.		
223.		
224.		
225.		

DRAFT

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
226.		
227.		
228.		
229.		
230.		
231.		
232.		
233.		
234.		
235.		
236.		
237.		
238.		
239.		
240.		
241.		
242.		
243.		
244.		
245.		
246.		

Comments Template on EIOPA-CP 04-11 EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		Deadline 23.09.2011 17.30 CET
247.		
248.		
249.		
250.		
251.		
252.		
253.		
254.		
255.		
256.		
257.		
258.		
259.		
260.		
261.		
262.		
263.		
264.		
265.		
266.		
267.		

Comments Template on EIOPA-CP 04-11		Deadline 23.09.2011 17.30 CET
EIOPA Draft Report - Equivalence assessment of the Bermudan supervisory system in relation to articles 172, 227 and 260 of the Solvency II Directive		
268.		
269.		
270.		
271.		
272.		
273.		
A1		
A2		

DRAFT