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|  | **Summary of Comments on Consultation Paper 09 - EIOPA-CP-009/2011****CP No. 009-SII Reporting - Quantitative Reporting – Balance-Sheet** | **04 July 2012** |
| EIOPA would like to thank Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA Livförsäkring, Audit&Consulting Services – Poland, AM Best, AMICE, ANIA Reinsurance Working Group, Association of British Insurers (ABI), Association of Financial Mutuals (AFM), AXERIA PREVOYANCE – AXERIA IARD – SOLUCIA, Barnett Waddingham, BVI Bundesverband Investment and Asset Management, Insurers Europe (CEA), CFO Forum & CRO Forum, Crédit Agricole Assurances, CTIP (the French Paritarian Institution), Czech Insurers Association, Danish Insurance Association, Deloitte Touche Tohmatsu, European Captive Insurance and Reinsurance Owners, Federation of Finnish Financial Services, FEE, FNMF - Fédération Nationale de la Mutualité, Foyer S.A., German Insurance Association (GDV), Groupe Consultatif, HSBC Securities Services, ICMA Asset Management and Investors Council, ILAG, ING Group Data modelling team, Investment Management Association (IMA), If P&C, Institut des Actuaires, JP Morgan, KPMG, Lloyd’s, NFU Mutual, Paul Figg (individual, actuary), PwC, Royal London Group, RSA Insurance Group plc, State Street Corporation, The Alternative Investment Management Association Ltd (AIMA), The Directorate General Statistics (DG-S) of the ECB, The International Group of P&I Clubs, The Phoenix Group, Thomas Miller & Co Ltd, UNESPA – Association of Spanish Insurers and XL Group plcThe numbering of the paragraphs refers to Consultation Paper No. 09 (EIOPA-CP-009/2011) |
| **No.** | **Name** | **Reference** | **Comment** | **Resolution** |
| 1. | CEA | BS-C1 – Benefits | The benefits to the public in understanding the solvency position of an undertaking can be gained from the Solvency II valuation column. A quantitative reconciliation with statutory accounting may not be easily understood and would therefore be better presented in the form of a narrative explanation. | Statutory column will not be subject to public disclosure.Anyway narrative explanation on the reasons for differences would be needed in some cases (eg. where the difference results from several items). |
| 2. | German Insurance Association (GDV) | BS-C1 – Benefits | The benefits to the public in understanding the solvency position of an undertaking can be gained from the Solvency II value column. A quantitative reconciliation with statutory accounting may not be easily understood and would therefore be better presented in the form of a narrative explanation. | Please see comment n. 1 |
| 3. | NFU Mutual | BS-C1 – Benefits | The benefits to the public in understanding the solvency position of an undertaking can mostly be gained from the Solvency II value column. A quantitative reconciliation with statutory accounting may not be easily understood, particularly for those in other jurisdictions that may not be fully understanding of local GAAP. | Please see comment n. 1 |
| 4. | The Directorate General Statistics (DG-S) of the E | BS-C1 – Benefits | For monetary and economic analysis information on euro area IC balance sheet positions and transactions can provide important input. ICs are part of the money-holding sector and are thus integral part of the sectoral analysis of monetary developments. By providing investment opportunities and risk diversification, they have a prominent role for the private sector’s composition of wealth. At the same time, they are among the most important providers of long-term funding to credit institutions, non-financial corporations and the public sector. These characteristics make an integral part of the monetary transmission process and constitute its relevancy to monetary policy. From a financial stability perspective, the fact that ICs are important institutional investors in European financial markets implies that changes in their holdings of financial assets or investment strategies may have significant effects on the markets, and these effects may also have systemic consequences. For financial stability analysis it is therefore considered essential to have detailed information about the investment assets of insurers in order to be able to monitor their evolution and to assess risks. Detailed balance sheet information is also needed for understanding developments in the risk-taking behaviour of the insurance sector. | Noted.Detailed list of investments is to be provided in Assets-D1. |
| 5. | Association of British Insurers (ABI) | BS-C1 – Costs | Costs will be incurred to report a SII Balance Sheet on a quarterly basis, particularly given the fast close timetable. This is particularly the case for Groups. | Noted. |
| 6. | CEA | BS-C1 – Costs | Significant costs will be required to set up the necessary systems and procedures to support all Solvency II reporting. This in particular relates to IT costs as incredibly sophisticated systems will be required to collect data from its original source, store and match it to the various reporting templates. Reporting requirements must be determined well in advance of the entry into force date. Please refer to section 4.7 for CEA comments on the time required for implementation.For the Solvency II balance sheet, additional costs might be incurred to report the balance sheet in a fast close timeframe.  | EIOPA is doing its best to finalize the templates well in advance to give undertakings enough time for preparation.Noted. EIOPA considers that frequency and timeliness of reporting is crucial for an adequate supervision of insurance undertakings.EIOPA acknowledges that the criteria defined under CP9 to exempt quarterly reporting of BS-C1 was difficult to apply (and impossible for reporting by groups), creating uncertainty on the quarterly requirements. Also, any other criteria to define thresholds would not overcome this difficulty. On the other hand, to calculate Own funds quarterly, undertakings will have to calculate the entire balance sheet with the same frequency. Taking all this into account, EIOPA believes that, both from a supervisory point of view and from an operational point of view for undertakings, the request of the balance-sheet quarterly without exemptions is the best approach. |
| 7. | Deloitte Touche Tohmatsu | BS-C1 – Costs | For smaller undertakings costs might not be in proportion to their risk profile. | Noted. Proportionality was taken into account by employing materiality thresholds for reporting certain templates and exemptions based on size and risk profile are also considered. Also, undertakings will only report the templates regarding business they undertake, so a natural proportionality also exists. |
| 9. | German Insurance Association (GDV) | BS-C1 – Costs | We imagine that significant costs will be required to set up the necessary systems and procedures to support all Solvency II reporting. This in particular relates to IT costs as incredibly sophisticated systems will be required collect data from its original source, store and match it to the various reporting templates. Reporting requirements must be determined well in advance of the entry into force date. Please refer to section 4.7 for GDV comments on the time required for implementation.For the Solvency II balance sheet, additional costs might be incurred to report the balance sheet in a fast close timeframe.  | Please see comment n. 6 |
| 11. | XL Group plc | BS-C1 – Costs | Overall, significant IT costs will be incurred in building the systems necessary to source, store, validate and report the detailed inforamtion required for Solvency II Pillar 3 reporting. Additional costs are likely to be incurred to report the Solvency II balance sheet to a fast close timeframe. | Noted. Please see comment n. 6 |
| 12. | AMICE | BS-C1 – Disclosure | The publication of a “solvency balance sheet” does not seem appropriate as mutual entities are not listed in the financial markets. In our view, the primarily objective of defining a “solvency balance sheet” is the assessment of the amount of eligible own funds. Only the eligible amount of own funds and major changes made to main elements of equity should be publicly disclosed. Other specific elements such as investments should be subject to limited disclosure. | BS-C1 template is a central element of disclosure on financial & solvency position. Such template needs to be comparable. Template also helps to understand information. |
| 13. | German Insurance Association (GDV) | BS-C1 – Disclosure | As previously mentioned differences in scope and national accounting methodologies and will have a large impact on this template and EIOPA’s requirement to perform a quantitative reconciliation. Only the Solvency II value column should be publically disclosed along with a narrative statement explaining differences that have arisen between the two. This would continue to fulfil EIOPA’s envisaged benefits in terms of market transparency.  | Please see comment n. 1 |
| 14. | KPMG | BS-C1 – Disclosure | The draft level 2 implementing measures require non-insurance financial institutions (banking entities, investment firms etc.) to be included in the group balance sheet by referring to the sectoral rules. How this disclosure should be effected is not clear. For QIS 5 the balance sheet template contained line items for “Other financial sector assets” and “Total other financial sector liabilities”. Considering the current layout of the balance sheet QRT, it seems as if this disclosure can be achieved through inclusion of these entities’ assets in the line for ‘Participations’ (Cell A6), and their liabilities in the line called “Any other liabilities, not elsewhere shown” (L25). Another interpretation is that the net investment in non-insurance financial institutions should be shown on the ‘Participations’ line (Cell A6).While we support separate and distinct disclosure of the assets and liabilities relating to non-insurance financial institutions, we would suggest a clear and unambiguous layout of the reporting template to cater for this. | The SII BS layout is different than the one prepared for QIS5 purposes. Appropriate BS items should be presented according to the description resulting from LOG document.Netting is not a solution, so the first option seems to be more appropriate. Holdings in related non-insurance undertakings such as credit institutions, investment firms and financial institutions, will be included as participations in A6-AS6.  |
| 15. | AMICE | BS-C1 – Frequency | EIOPA states that undertakings shall submit a quarterly balance sheet only in cases where the reconciliation reserve cannot be explained sufficiently by the information on assets and liabilities that is reported in other quarterly templates (Assets, TP, OF).This is the case when a significant part of the reconciliation reserve as reported in OF-B1Q cannot be explained out of the comparison with quarterly information on investments (Assets-D1Q), technical provision (TP-E1Q/F1Q) and specific own fund items (OF-B1Q), together with the most recent annual information on assets and liabilities that are not reported on a quarterly basis (latest annual BS-C1). AMICE members reiterate their opposition to any request for quarterly balance sheets at both solo and group levels. Such publication would be tremendously burdensome and without any value added for either the supervisor or the undertaking. We believe that the purpose of requesting the submission of more frequent than annual information is to support the solvency monitoring as part of the Supervisory Review process (SRP) and (re)insurance undertakings’ own internal strategic management needs. The information needed for the continuous monitoring of (re)insurance undertakings’ solvency positions will be provided by a new powerful tool, the ORSA. The ORSA will allow the assessment of own funds and technical provisions on a continuous basis by using proportionate methodologies and proxies, hence on a quarterly basis, but without the need for recourse to a formal balance sheet that would be very costly to establish. | EIOPA acknowledges that the criteria defined under CP9 to exempt quarterly reporting of BS-C1 was difficult to apply (and impossible for reporting by groups), creating uncertainty on the quarterly requirements. Also, any other criteria to define thresholds would not overcome this difficulty. On the other hand, to calculate Own funds quarterly, undertakings will have to calculate the entire balance sheet with the same frequency. Taking all this into account, EIOPA believes that, both from a supervisory point of view and from an operational point of view for undertakings, the request of the balance-sheet quarterly without exemptions is the best approach.Quarterly reporting is to be an input to SRP.The primary objective of the ORSA is undertaking’s internal assessment. ORSA is not performed for supervisor’s purposes. |
| 16. | Association of British Insurers (ABI) | BS-C1 – Frequency | We support EIOPA’s proposal that this template is subject to systematic reporting only an annual basis. Much of the data in the Balance Sheet comes from other templates not required quarterly. The guidance however states that undertakings shall submit a quarterly balance sheet only in cases where the reconciliation reserve cannot be explained sufficiently by the information on assets and liabilities that is reported in other quarterly templates (Assets. TP, OF). This guidance needs to be clarified further to define what is meant by “sufficiently explained”. In order to determine whether the movement in reconciliation reserve is explained sufficiently it would appear that an undertaking would have to calculate a quarterly balance sheet in any case.  | Please see answer to comment 15. |
| 17. | Association of Financial Mutuals (AFM) | BS-C1 – Frequency | We think that proportionality should be applied and smaller firms should be exempt from quarterly disclosure of this template. Generally the reconcilaition reserve would be explained largely by information in other templates. This additional requirement would be onerous for our members . We think that the quarterly submission should only be applicable to larger firms and an additional criteria should be set such that it only covers these firms and that coverage across Europe and national levels are met. | Please see answer to comment 15. |
| 18. | Barnett Waddingham | BS-C1 – Frequency | We think that proportionality should be applied and smaller firms should be exempt from quarterly disclosure of this template. Generally the reconcilaition reserve would be explained largely by information in other templates. This additional requirement would be onerous for small firms and question the value added. We think that the quarterly submission should only be applicable to larger firms and an additional criteria should be set such that it only covers these firms and that coverage across Europe and national levels are met. | Please see answer to comment 15. |
| 19. | CEA | BS-C1 – Frequency | We support EIOPA’s direction in applying a clause to limit quarterly reporting of the balance sheet however we believe that quarterly reporting should not be required as standard. Reporting of the balance sheet is very much reliant on data from other templates which are not calculated/reported at the same frequency therefore to require quarterly reporting on a systematic basis will be problematic.It should however be stressed that deferred taxes (assets or liabilities) would be mechanically modified due to changes in assets and liabilities. The explanation of changes in the reconciliation reserve should be analysed with changes in assets and liabilities net of taxes. For example: if assets increase +10 over one year, with no change to liabilities, for a country where the tax rate is 30% then the “logical” impact on the reconciliation would be 7. In this case, the changes in the reconciliation reserve should be considered as “explained” by the changes in assets, and the exemption for quarterly reporting should apply. More clarification on what EIOPA interpret “explained” would be helpful, it may be possible to use a different exemption clause for example, a comparison between the delta of change in technical provisions and assets with the delta of total available own funds.  | Please see answer to comment 15.Valuation rules are to be determined in future L2 and L3, also for deferred tax assets and liabilities.  |
| 20. | Crédit Agricole Assurances | BS-C1 – Frequency | Quarterly diffusion of the BS-C1 template : it is written that this template will be quarterly and exhaustively produced in case “the reconciliation reserve cannot be sufficiently explained from the information reported in other quarterly templates (Assets, OF and TP)”.Could you provide us more information about the level of detail needed to obtain a reconciliation reserve “ sufficiently explained”? | Please see answer to comment 15. |
| 21. | CTIP (the French Paritarian Institution) | BS-C1 – Frequency | Annual and quaterly frequency : quantitative threshold.For the quarterly disclosure, we suggest not to calculate the threshold on quarterly basis but on annual basis. | Please see answer to comment 15. |
| 22. | Deloitte Touche Tohmatsu | BS-C1 – Frequency | Whether an undertaking has to fill out the template on a quarterly basis is subject to its own interpretation as the undertakings have to assess themselves whether the information already available in the quarterly template is sufficient to explain the largest part of the reconciliation reserve. We believe clearer, non-subjective, guidelines on when to fill out the template on a quarterly basis are required. | Please see answer to comment 15. |
| 23. | Federation of Finnish Financial Services | BS-C1 – Frequency | We see a need to report the Balance sheet on quarterly basis as it is needed to report the OF report. It also adds value to the data quality verification. | Noted. |
| 24. | FEE | BS-C1 – Frequency | For the presumption and the quantitative threshold, one possibility is to follow the approach used in the Impact Assessment (for the detailed list of assets - option D1A, refer to Impact assessment page 14) with the necessity to limit change, from time to time. | Please see answer to comment 15. |
| 26. | German Insurance Association (GDV) | BS-C1 – Frequency | We generally welcome EIOPA’s proposal to only report on a quarterly basis if the change on the reconciliation reserve cannot be explained by changes in assets and liabilities. Reporting of the balance sheet is very much reliant on data from other templates which are not calculated/reported to the same frequency therefore to require quarterly reporting on a systematic basis will be problematic.However, we think that the quarterly information about technical provision, own funds and assets should be sufficient for supervisory purposes. This information should explain the largest elements of the reconciliation reserve. We therefore ask EIOPA to waive the requirement of quarterly reporting of the full balance sheet completely. The quarterly balance sheet will be very burdensome for the industry for limited regulatory benefit.In case the requirement remains, a simplified threshold should be defined, for example:The threshold for quarterly reporting could be defined by comparing the changes in assets and liabilities with the change in total available own funds. If the delta of market value of assets + the delta of technical provision between two reporting periods would be higher than x% (e.g. 90%) of the change in total available own funds a quarterly report should be submitted to the supervisor. Otherwise no quarterly report should be necessary. In other words if the change in market value of assets and liabilities can explain x% (e.g. 90%) of the change in total available own funds no quarterly reporting should occur. | NotedPlease see answer to comment 15.As above. |
| 27. | Groupe Consultatif | BS-C1 – Frequency | We agree that a quarterly BS-C1 would be too onerous, and probably not in keeping with the objective of proportionality. The suggested option of only requiring a BS-C1 where part of the reconciliation reserve cannot be explained (over a specified threshold) by the other information supplied might leave undertakings unsure of whether the BS needs to be completed until the reconciliation reserve is complete. If the BS-C1 then had to be « unexpectedly » completed over a short time period this could lead to additional costs disproportionate to the impact. If supervisors need the reconciliation reserve difference to be explained they could require additional items in the Reconciliation Reserve section of OF-B1Q to explain it, or notes attached to the return. This appears to be covered in the SFCR (Guideline 22(f)). | Please see answer to comment 15.In SFCR only key elements of reconciliation reserve are to be explained. |
| 29. | KPMG | BS-C1 – Frequency | We support the idea of possible exemptions from preparation of the balance sheet template on a quarterly basis as we believe this requirement will be onerous on the industry and for small insurers would represent disproportionate effort relative to size. However the current proposals to assess whether insurers are exempt from preparing a balance sheet template will be difficult to apply in practice, mainly taking into account the short deadlines for quarterly submissions. It woud be easier if the need for a quarterly balance sheet submission could be determined in advance of the next quarterly reporting cycle, for example by changing the point of reference to an earlier balance sheet date. | Please see answer to comment 15. |
| 30. | Lloyd’s | BS-C1 – Frequency | Undertakings are required to submit this form only when the reconciliation reserve cannot be explained sufficiently by the information on assets and liabilities provided in other templates submitted quarterly. This exemption is complex as it leaves it to the undertaking to determine whether it needs to submit a balance sheet on a quarterly basis. This could lead to supervisory intervention when the regulator deems it necessary for the undertaking to submit the balance for a particular quarter.Since most of the information on the balance sheet exists in other templates being requested on a quarterly basis, we propose that this exemption is either made easier by either removing the requirement to submit the balance sheet on a quarterly basis or to require all undertakings to submit it on a quarterly basis.We welcome the requirement to only report the Solvency II column on a quarterly basis. | Please see answer to comment 15. |
| 31. | Royal London Group | BS-C1 – Frequency | The requirement for a quarterly balance sheet needs to be made more clear and more certain. If companies only know whether or not they need to submit a balance sheet once they know if the reconciliation reserve meets certain criteria, then in practice the balance sheet will need to be prepared just in case it is needed – there will not be time to go back and prepare one if the reconciliation reserve cannot be explained.There should be an overall materiality criteria, ie ‘big’ insurers have to submit a quaterly balance sheet and ‘small’ insurers do not. | Please see answer to comment 15. |
| 32. | RSA Insurance Group plc | BS-C1 – Frequency | Given forms E1Q and F1Q are not applicable to groups, it would appear that the proposed exemption is not available to groups. If that is the intention, we believe that is disproportionate and we should like to understand the reasons for this – unless the financial stability templates proposals have already been anticipated.Further, it would appear – once the assets, technical provisions and own funds have been reported – there would be little benefit to this exemption, since nearly all the work required to produce a balance sheet will have been done anyway. It is also unclear if the quarterly QRTs will actually help explain the quarterly reconciliation reserve movement. Finally, the conditions are met only when reconciliation reserve is explained “sufficiently” by these other templates – there is an implicit materiality threshold to be applied that needs to be clearly defined.The proposed exemption would therefore appear to yield any benefit only in a very limited number of circumstances. | Please see answer to comment 15. |
| 33. | The Directorate General Statistics (DG-S) of the E | BS-C1 – Frequency | Quarterly information are essential for ESCB statistics. In this context, existing ECB statistics (e.g. on credit institutions) contain measures that limit and reduce the reporting burden (especially of small institutions), whereby the data for a particular country must reach, depending on the variable concerned, a coverage of 85% to 95% (of total assets) at national level and the institutions exempted from the full reporting in a specific country do not exceed 1% (of total assets) at euro area level. The exempted institutions do however report simplified information, often at annual frequency only. The latter is especially relevant for medium sized undertakings that would be exempted from quarterly reporting.The ECB is unclear about the meaning of the suggested limitation of quarterly reporting of this template to cases where the reconciliation reserve cannot be explained by the information on assets and liabilities in other quarterly templates.Regarding timeliness of the quarterly data,(i) Solo basis: T+40 calendar days to the final users (implying availability for statistical production at around t+28 calendar days);(ii) Group basis: T+45 calendar days to the final users (implying availability for statistical production at around t+33 calendar days)  | Please see answer to comment 15. |
| 34. | AMICE | BS-C1 – General  |  Our members assure us that their systems and processes are not adapted to preparing and submitting comprehensive information on the undertaking’s balance sheet situation on a quarterly basis. Gross data is commonly available in the systems. However, data collection (more or less important depending on the granularity required by EIOPA) will require implementing in the systems.More guidance is also needed on where to place mortgage credit bonds (This is relevant for those jurisdictions with large portfolios of mortgage credit bonds) and the money market funds. | Please see answer to comment 15.Should be classified with CIC 65, assuming they are collateralised securities, and should be reported in BS-C1 in cells A8D and AS8D |
| 35. | Association of British Insurers (ABI) | BS-C1 – General  | We welcome the fact that the full balance sheet is no longer mandatory on a systematic basis on a quarterly basis, as this would have imposed a significant burden for limited regulatory benefit. We would agree that for ongoing monitoring purposes the quarterly provision of simplified information on own funds, technical provisions and assets will be sufficient. This information will explain the largest element of the reconciliation reserve. We would expect that regulators should be able to rely on the ongoing company monitoring and governance in this regard. To the extent that further information is requested this should not lead the requirement for a full quarterly balance sheet, and therefore the right of the Supervisor to request a quarterly balance sheet template in these circumstances should be removed.We question the value of presenting a Balance Sheet on both a Statutory and SII basis. As undertakings across Europe will be reporting on varying GAAP’s there is little benefit from a consolidated data perspective. In addition presenting both Balance Sheets might result in confusion and lack of understanding for users. A note that a full reconciliation will be difficult to achieve and will include too much detail to be useful. For example for an IFRS preparer the assets and liabilities of unit linked funds will be shown in the individual lines of the IFRS balance sheet. In the SII balance sheet the linked funds’ assets and liabilities will be shown in the single line A12. Therefore there will be differences related to linked assets in most lines of the balance sheet. The information that is of real use to a user is to show assets and liabilities that are included in one balance sheet but not the other or are included at a different value. Therefore a more useful reconciliation would be to show the differences between total assets in one balance sheet and total assets in the other and likewise for total liabilities. In the IFRS column, should assets and liabilities be shown in the categories that they would be included in the IFRS balance sheet or as they are shown in the SII balance sheet. For example assets in unit linked funds. In the IFRS balance sheet these are shown in the relevant asset or liability lines. In the SII balance the total net assets of linked funds are shown in the single line A12. Should the assets and liabilities of linked funds be shown in AS12 of the IFRS column or in the individual asset and liability lines as they would be for the IFRS balance sheet? Another example is ‘cash and cash equivalents’. The SII and IFRS definitions of this item are different. Should the IFRS column be populated according to the SII definition or the IFRS definition?We also note that the decision on whether a BS-C1 is required seems to rest with individual firms on the basis of whether they think the Revaluation Reserve in Own Funds is adequately explained by differences in the valuation of investments and technical provisions. In the working environment it seems likely that further, more prescriptive guidance will be required to prevent regulatory query or intervention as a result of such an ‘exemption’It is not clear, but we assume that the deferred tax element of any Revaluation Reserve is irrelevant in arriving at the decision on whether to submit BS-C1 quarterly.In any case, if BS-C1 is not produced, does it therefore follow that the supporting schedules (most particularly Assets D1) must be produced, and cannot be subject to any exemption?We support the fact that EIOPA has recognised that preparing a full quarterly balance sheet will be an onerous event and allowed an exemption from preparation, although much of this benefit has been removed with the Financial Stability requirements. However the guidance re exemption is too uncertain to be beneficial in practice. Should we need to produce a balance sheet quarterly, it should be as short and as simple as possible. For example 5 or 6 lines comprising investments, cash, other assets, total assets, technical provisions, borrowings, other liabilities, total liabilities and net assets shown only.The draft level 2 text says when determining consolidated data we just need to bring in the proportional share of own funds of asset managers. There is no line on the balance sheet template to do this We would support the single line approach for asset managers. Although there will be a degree of complexity in building a Group consolidated Solvency II balance sheet, it will have advantages in that less data (including asset data) is required from asset managers.We would ask for the level 3 guidelines to say, for the avoidance of doubt, that all investment funds should be classified on the Group balance sheet as “investment funds” and not consolidated on a line by line basis, irrespective of the treatment within the statutory accounts. | Please see answer to comment 15.Statutory balance sheet reporting along with SII balance sheet is important for supervisors to understand, in a standard form, which are the main classifications and valuation differences from statutory to Solvency II data. The same applies to groups.For Disclosure please see comment n. 1 LOG changed to clarify: BS items are valued according to undertaking's statutory accounts, whether prepared under IFRS or local GAAP.Figures can either be filled item by item, or with just one figure for several items if they are separated by a dotted line (meaning in this case that further split is possible, but not required).Where an item does not exist under local GAAP it should be filled with nil, however the items existing under local GAAP but reported differently should be reclassified as far as it is possible and follow the SII BS split.Please see answer to comment 15.It is not clear why deferred tax (assets and liabilities) should not be taken into account when assessing the Reconciliation Reserve. Valuation rules are to be determined in future in L2 and L3, also for deferred tax assets and liabilities. Those rules should be used when decision on quarterly BS-C1 is being taken.The exemptions for reporting of Assets-D1 and Assets-D1Q are independent of the reporting of BS-C1 Holdings in related non-insurance undertakings such as asset management companies will be included as a participation in A6-AS6. Noted. The reporting of investment funds on a consolidated basis will follow consolidation rules prescribed under the future Level 2 IM. |
| 36. | CEA | BS-C1 – General  | A full accounting reconciliation between the Solvency II valuation and statutory accounts valuation columns will be incredibly difficult to achieve, particularly when the statutory accounts valuation is based on local GAAP. Differences between the two columns should be explained to supervisors in a narrative statement rather than requiring a full quantitative reconciliation. The CEA queries whether undertakings will have the choice of substituting local GAAP figures with internal IFRS valuations. For group figures in particular, Solvency II vs. local GAAP differences will be problematic, particularly for the following items:  Deferred tax assets/liabilities; Intangible assets; Pension benefit surplus; Property, plant and equipment for own use; Participations; Equities; Derivatives; Loans and mortgages.Some groups use the D&A method for consolidation when dealing with assets and liabilities coming from other financial sectors (OFS), this means that a single line item is created under assets and liabilities. Guidance from EIOPA would be helpful in terms of how solo templates should be completed from a group perspective. Investment data should be consistent with the CIC codes outlined in the Assets’ template. Clarification would be helpful on EIOPA’s comment relating to granularity, in terms of applying a simplified balance sheet. The CEA believes that contingent liabilities should not appear on the Solvency II Balance Sheet. For accounting purposes, many contingent liabilities are treated as off balance sheet items, please refer to cell L23 for additional comments. Reporting on technical provisions should consist of a simple aggregation exercise of more detailed underlying reporting templates. It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations. We support that EIOPA has aligned the LOG definitions for the Solvency II value and Statutory Accounts value of technical provisions, this provides clarification that both are to be reported gross of reinsurance, for comparison purposes it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column. The CEA understands that the dotted lines in this template allows for aggregation of statutory accounting information. However we note that EIOPA’s proposal has aggregations both above and below the dotted lines and we query what the expected result is in such cases. Also, the general comment section of the LOG-file refers to netting in the Solvency II balance sheet. We would ask for a specific indication of where netting is allowed.Regarding the application of this template to RFF, we question EIOPA’s intention. We do not see the need for detailed reporting of a full balance sheet for RFF.  | Statutory balance sheet reporting along with SII balance sheet is important for supervisors to understand, in a standard form, which are the main classifications and valuation differences from statutory to Solvency II data. The same applies to groups. Please see comment n. 1)The reported figures in Statutory column should be the "official" accounting balance sheet, independent if national GAAP or IFRS, both for solo and groups.Holdings in related undertakings in other financial sectors (such as credit institutions) will be included as a participation in A6-AS6. There is no intention to provide a simplified balance sheet. Please see answer to comment 15.This will be a level 2 requirement.TP should be reported quarterly (TP have to be used for MCR calculation). There is a possibility to use simplified methods in calculating TP.Noted.No netting should be allowed. A&L should be valued separately so also presented in this way.The IFRS netting requirements should be used on all balance sheet items. Cells should not be merged as it is possible that there are both assets and liabilities. Noted. |
| 37. | CFO Forum & CRO Forum | BS-C1 – General  | Please note our comments in the main ‘General’ section of this response on quarterly balance sheet.We disagree with the additional line items which were introduced in BS C1 detailing the assets held within fundsD4 is the maximum information which should be required for investment funds. We do not analyse our funds in this way and neither do we see the added benefit of this analysi.The draft level 2 text says when determining consolidated data we just need to bring in the proportional share of own funds of asset managers and regulated participations. We would support the single line approach for asset managers and other regulated entities.. Although there will be a degree of complexity in building a Group consolidated Solvency II balance sheet, it will have advantages in that less data (including asset data) is required from asset managers.We would ask for the level 3 guidelines to say, for the avoidance of doubt, that all investment funds should be classified on the Group balance sheet as “investment funds” and not consolidated on a line by line basis, irrespective of the treatment within the statutory accounts. | The additional lines in BS-C1 are now only for public disclosure purposes. Undertakings should have appropriate information in this regard (PPP should be fulfilled).Please see comment n. 35Please see comment n. 35 |
| 38. | Crédit Agricole Assurances | BS-C1 – General  | How could the entities, which do not produce IFRS reporting but are in the Solvency II scope, be integrated in the Group Balance Sheet? Should we consider that these entities are in scope variation between SII column and IFRS column? | The reported figures in Statutory column should be the "official" accounting balance sheet, independent if national GAAP or IFRS, both for solo and groups. |
| 39. | Deloitte Touche Tohmatsu | BS-C1 – General  | 1.No row in the ‘Comments Template on Draft proposal for Quantitive Reporting Templates’ is foreseen with respect to ‘L15C’ (Subordinated liabilities not in BOF) and ‘L15D’ (Subordinated liabilities in BOF’). We recommend including specific guidance in the LOG with respect to the items to be listed.2.We consider it useful including a reconciliation between the statutory and Solvency II own funds as a standardised reporting in the quarterly reporting. This reconciliation can be shown separately whereby the different items are detailed and explained.In case of a global undertaking with an EU subgroup, IFRS may apply globally but SII will only apply to the EU subgroup, which could limit the scope of synergies and could necessitate separate programmes. | Please note that the LOG contains those definitions.Noted. Template OF-B1Q already includes a breakdown of the reconciliation reserve.Noted. Please note that this is a SII requirement. |
| 40. | Federation of Finnish Financial Services | BS-C1 – General  | Regarding field A16 (Not found in the comment template.): Should cell A20 (Reinsurance receivables) really be included in the sum showed in this field? It is not in line with reinsurance report J3 cell N1 (Total reinsurance recoverables). | Agree. A20 should not be included in A16. |
| 41. | FEE | BS-C1 – General  | Applicability to non-EU subsidiaries of EU-insurers : Do these subsidiaries have to apply the Template ? Are subsidiaries in countries considered as equivalent to Solvency II treated in the same way as subsidiaries located in other non-EU countries?1) We suggest BOF is detailed using the captions used in the related QRT template.2) Statutory BS is an important element to consider. Nevertheless, we wonder how useful is a detailed comparaison with Solvency II balance sheet, ligne by ligne. A more comprehensive and qualitative analysis of the differences between both balance sheet should give more benefits to the users. | Yes. According to equivalence rules in L1 and L2.NotedIt gives the possibility to see where the differences come from. Please see comment n. 1) |
| 43. | German Insurance Association (GDV) | BS-C1 – General  | A full accounting reconciliation between the Solvency II valuation and statutory accounts valuation columns will be incredibly difficult to achieve, particularly when the statutory accounts valuation is based on national GAAP. Differences between the two columns should be explained to supervisors in a narrative statement rather than requiring a full quantitative reconciliation. The GDV queries whether undertakings will have the choice of substituting national GAAP figures with internal IFRS valuations. For group figures in particular, Solvency II vs. national GAAP differences will be problematic, particularly for the following items:  Deferred tax assets/liabilities; Intangible assets; Pension benefit surplus; Property, plant and equipment for own use; Participations; Equities; Derivatives; Loans and mortgages.Some groups use the D&A method for consolidation when dealing with assets and liabilities coming from OFS, this means that a single line item is created under assets and liabilities. Guidance from EIOPA would be helpful in terms of how solo templates should be completed from a group perspective. Investment data should be consistent with the CIC codes outlined in the Assets’ template. Clarification would be helpful on EIOPA’s comment relating to granularity, in terms of applying a simplified balance sheet. The GDV believes that contingent liabilities should not appear on the Solvency II Balance Sheet. For accounting purposes, many contingent liabilities are treated as off balance sheet items, please refer to cell L23 for additional comments. Reporting on technical provisions should consist of a simple aggregation exercise of more detailed underlying reporting templates. It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations. We support that EIOPA has aligned the LOG definitions for the Solvency II value and Statutory Accounts value of technical provisions, this provides clarification that both are to be reported gross of reinsurance, for comparison purposes it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column. The GDV understands that the dotted lines in this template allows for aggregation of statutory accounting information. However we note that EIOPA’s proposal has aggregations both above and below the dotted lines an we query what the expected result is in such cases. Regarding the application of this template to RFF, we question EIOPA’s intention. It is not a requirement of the framework directive and as such, there is no balance sheet, SCR or own funds calculation for RFF. Further clarification requiredIn template BS-C1 the carrying amounts according to Solvency II are compared with the corresponding IFRS and local GAAP values. Does a reclassification of those local GAAP and IFRS values take place according to the classification of the Solvency II balance sheet items? Is it possible that there is a classification different from the provisions under Solvency II?In QRT BS-C1 it is required to state local GAAP and IFRS values for insurance groups. What kind of scope of consolidation should be used? The corresponding scope under IFRS or Solvency II? | Please see comment n. 36Please see comment n. 35 (differences in classification)Please see comment n. 36 |
| 44. | Groupe Consultatif | BS-C1 – General  | We doubt if a direct, quantitative reconciliation between Solvency II and statutory accounting valuation is reasonable and informative. The pure juxtaposition does not give additional knowledge to the addressee, for the valuation methods being very different. A general, qualitative way of information on reconciliation could be more useful.An annual reporting of this sheet seems to be sufficient. A quarterly reporting will be burdensome and costly. | Please see comment n. 1Please see answer to comment 15. |
| 46. | ING Group Data modelling team | BS-C1 – General  | Comment to cell A16:The formula as stated in the template specifies that A20 (reinsurance receivables) should be included under this item (Reinsurance recoverables). However, this does not seem correct, especially since on the BS-C1D report Reinsurance recoverables and Reinsurance receivalbes are counted on separate lines (A5A and A6). If reinsurance receivables is included in Reinsurance recoverables this would lead to double counting of the Reinsurance receivables. Therefore we assume the formula for A16 should be excluding A20. Comment to cell A28A:• Presenting own funds as an assets seems not correct. • It creates a difference with IFRS which treats this more correctly as correction on the Equity/ Own funds.• There is no added value or insight gained from presenting this as a separate asset in BS-C1 as the required level of detail is already specified in OF-B1 which is a more proper place the achieve exactly the same.• This unnecessarily increases complexity as the values displayed her are subsequently subtracted in OF-B1. It is much more transparent to deal with these type of items within the context of the capital/ own funds (OF-B1)Comment to cell A28B:• Similar to own funds an account is added which provides no relevant extra insight.• Basically a part of the receivables is split of from the rest.• The relevant information on called up capital is already provided in OF-B1 which is a more proper place as that actually discloses the called up capital and not the receivable as a result of that.It is much more transparent to deal with these type of items within the context of the capital/ own funds (OF-B1) | Please see comment n. 40Own share are included as an asset for reporting purposed only. In OF-B1 Own shares are deducted in Reconciliation reserve.Noted.As above. |
| 47. | Institut des Actuaires | BS-C1 – General  | At solo level, is should be clarified whether the information on statutory account values include amounts related to the separate account for contracts that are in the scope of the IORP directive. Otherwise the comparaison between statutory accounts and Solvency 2 figures could be on 2 different perimeters.At group level, it should be clarified whether and how the statutory account values include amounts related to entities included in the scopeof group supervision with the D&A methodology as well as amounts related to OFS / NCP entities. | The reported figures in Statutory column should be the "official" accounting balance sheet, independent if national GAAP or IFRS. Any differences between Statutory column and SII valuation should be explained in the qualitative part. |
| 48. | KPMG | BS-C1 – General  | The proposal for separate reporting on each material RFF but not for all funds (for example non-profit funds) means that, in the UK, the regulator will not receive the same level of analysis as it currently receives under the existing rules (the annual FSA return).  | RFF issue - to be clarified in the guidelines on RFF |
| 49. | NFU Mutual | BS-C1 – General  | We note that the decision on whether a BS-C1 is required seems to rest with individual firms on the basis of whether they think their Revaluation Reserve in Own Funds is adequately explained by differences in the valuation of investments and technical Provisions. In the working environment it seems likely that further, more prescriptive guidance will be required to prevent regulatory query or intervention as a result of such an ‘exemption’.A reconciliation between the Solvency II valuation and statutory accounts valuation columns will more difficult to achieve where the statutory accounts valuation is based on national GAAP. Solvency II vs. national GAAP differences will be problematic, particularly in the following areas:  Deferred tax assets/liabilities; Pension benefit surplus; Property, plant and equipment for own use; Participations; Derivatives; Loans and mortgages.It is not clear, but we assume that the deferred tax element of any Revaluation Reserve is irrelevant in arriving at the decision on whether or not to submit BS-C1 quarterly.In any case, if BS-C1 is not produced, does it therefore follow that the supporting schedules (most particularly Assets D1) must be produced, and cannot also be subject to any exemption? | Please see answer to comment 15.Please see comment n. 36Please see comment n. 35Please see answer to comment 15. |
| 51. | Royal London Group | BS-C1 – General  | A full reconciliation will be difficult to achieve and will include too much detail to be useful. For example for an IFRS preparer the assets and liabilities of unit linked funds will be shown in the individual lines of the IFRS balance sheet. In the SII balance sheet the linked funds’ assets and liabilties will be shown in the single line A12. Therefore there willl be differences related to linked assets in most lines of the balance sheet. The information that is of real use to a user is to show assets and liabilities that are included in one balance sheet but not the other or are included at a different value. Therefore a more useful reconciliation would be to show the differences between total assets in one balance sheet and total assets in the the other and likewise for total liabilities. In the IFRS column, should assets and liabilities be shown in the categories that they would be included in the IFRS balance sheet or as they are shown in the SII balance sheet. For example assets in unit linked funds. In the IFRS balance sheet these are shown in the relevant asset or liability lines. In the SII balance the total net assets of linked funds are shown in the single line A12. Should the assets and liabilities of linked funds be shown in AS12 of the IFRS column or in the individual asset and liablity lines as they would be for the IFRS balance sheet. Another example is ‘cash and cash equivalents’. The SII and IFRS definitons of this item are different. Should the IFRS column be populated according to the SII definition or the IFRS definition ? | Please see comment n. 35 |
| 52. | RSA Insurance Group plc | BS-C1 – General  | We believe the word “reconciliation” ought to be replaced by “comparison”. Providing a meaningful explanation of how SII technical provisions differ from those in the statutory accounts is not necessary and also duplicative, since the SFCR will contain a quantitative and qualitative explanation of significant differences between the two sets of numbers. | Noted.Narrative information on differences should be given in SFCR. |
| 54. | The Directorate General Statistics (DG-S) of the E | BS-C1 – General  | Improved quarterly balance sheet information, both on a solo/non-consolidated basis (covering monetary analysis requirements as well as requirements for the production of other ECB statistics) and on a group/consolidated basis (covering financial stability requirements) has been highlighted by users as an essential requirement. The balance sheet information should be separately available for different subsectors of ICs (i.e. life insurance, non-life insurance, composites, re-insurance). The information required includes an instrument breakdown both on the assets and liabilities side, information on original and remaining maturities of the relevant instruments and a breakdown of the geographical residency and institutional sector of the counterparts. Detailed information on the assets held and liabilities issued by ICs is essential, not only in terms of outstanding amounts at the end of a period, but also in terms of transactions which occur between two reporting periods. The ECB requires for most balance sheet components (reported either as aggregates or as a detailed list of items) a classification by institutional sector according to the European System of Accounts (ESA classification) as listed below. Furthermore, it comprises a breakdown of invested amounts by geographic counterpart, financial instrument and maturity. The classifications are more detailed for euro area (EU) counterparts than for non euro area/EU counterparts. A possibility is to keep the complementary identification code (CIC) and the other items as defined by EIOPA and provide conversion tables and rules for bridging between EIOPA classifications and ECB DG-S classification following international statistical standards (e.g. revised ESA).Institutional sector breakdown required for ESCB statistics (euro area counterparts):(i) The central bank (ESA 2010: S.121) (ii) Deposit-taking corporations except the central bank (ESA 2010: S.122)(iii) Money market funds (MMFs) (ESA 2010: S.123)(iv) Non-MMFs investment funds (ESA 2010: S.124)(v) Other financial corporations except insurance corporations and pension funds (ESA 2010: S.125+S.126+S.127) (v.1) of which financial vehicle corporations engaged in securitisation transactions (vi) Insurance Corporations (ESA 2010: S.128)(vii) Pension funds (ESA 2010: S.129)(viii) General government (ESA 2010: S.13)(viv) Non-financial corporations (ESA 2010: S.11)(x) Households and non-profit institutions serving households (NPISHs) (ESA 2010: S.14+S.15)Institutional sector breakdown required for ESCB statistics (non euro area counterparts):(i) General government (ESA 2010: S.13)(ii) Banks (ESA 2010: S.121 + S.122)(iii) Non-bank financials (ESA 2010: S.12 excluding S.121 and S.122) of which Insurance corporations (ESA 2010: S.128)(v) Non-financial corporations (ESA 2010: S.11)(vi) Households and non-profit institutions serving households (NPISHs) (ESA 2010: S.14+S.15)The breakdown of technical provisions by type is very useful (including technical provisions for index-linked and unit-linked). However, there is no specific breakdown yet foreseen for technical provisions related to standardised guarantees (“guarantees that are issued in large numbers, usually for fairly small amounts, along identical lines”). The inclusion of this breakdown would be important. In addition, under the breakdowns of life business, it would also be important to have an “of which” item with pension plans qualifying as social insurance (the ones where an employer makes an actual or imputed contribution on behalf of the employee).Alternatively, a specific breakdown focusing on pension entitlements through life insurance contracts, split up into defined contribution/ defined benefit/ and hybrid schemes could be provided. Such a reporting would be of high importance in countries where a large fraction of the pension reserves of households are managed through life insurance contracts. | NotedNotedNoted. Template TP-F3 gives now this possibility. |
| 55. | The Phoenix Group | BS-C1 – General  | There is an inconsistent use of total fields in the Balance Sheet QRT. Some are above the detailed items and some below. Can this be rationalised.Is it necessary to report the split of Best Estimate and Risk Margin on the Balance Sheet? No tie in to IFRS and the detailed split is available on TP-F1.Is it necessary to report the split of Investment Funds on the Balance sheet QRT? No tie in to IFRS and detail is reported within the Assets QRT D4. | Noted. The template was changed for better consistency.For presenting purposes would be easier to have such data in BS, as in TP-F1 or TP-E1 different presentation with regard to Health. In statutory column no detailed information is required (could be aggregated).Please see comment n. 37 |
| 56. | Association of British Insurers (ABI) | BS-C1 – Groups | As the definition of the Group for Solvency II purposes may differ to that for Statutory Reporting Purposes the presentation of both the SII and Statutory Balance Sheet position for Groups will be costly and will require additional work and effort from undertakings with questionable benefits.Also any requirement to prepare a Group Balance Sheet on a quarterly basis will be very onerous and a Group Balance Sheet should only be required annually. | Noted |
| 57. | CEA | BS-C1 – Groups | It may be the case that the scope of entities under consolidated accounts is larger than that of the scope of entities under Solvency II group supervision. A direct comparison between Solvency II and statutory accounting valuation columns will therefore not be possible. For public disclosure, it would mean that the Solvency II balance sheet is misleading and for this reason, we propose not to disclose the statutory accounting valuation column and instead provide a narrative explanation of the differences arising between the two columns.  | Statutory column will not be subject to public disclosure. |
| 59. | German Insurance Association (GDV) | BS-C1 – Groups | It may be the case that the scope of entities under consolidated accounts is larger than that of the scope of entities under Solvency II group supervision. A direct comparison between Solvency II value and statutory accounts valuation columns will therefore not be possible. For public disclosure, it would mean that the Solvency II balance sheet is misleading and for this reason, we propose not to disclose the statutory accounts valuation column and provide a narrative explanation of the differences arising between the two columns.  | Please see comment n. 57 |
| 60. | KPMG | BS-C1 – Groups | Guidance is required on the consolidation methodology to be applied in preparing a group balance sheet and related disclosures. We expect the systems design and build effort to be greatest for groups and such guidance is key to allow these activities to begin. Particular guidance is required on the following topics:- Treatment of other financial sector subsidiaries in the Group Solvency II balance sheet- Treatment of associates and joint ventures in the Group Solvency II balance sheet- Treatment of non-EEA insurance subsidiaries in the Group Solvency II balance she- Treatment of OEICs and unit trusts in the Group Solvency II balance sheet- Alignment with IFRS and in particular IFRS 10Clarity is also required on whether there will be any requirement for separate reporting for material RFF within the Group, given the new requirement for separate reporting at a solo level, or whether assets and liabilities held in RFF should be included in the Group Solvency II balance sheet. This is of particular significance for groups containing non-EEA insurance subsidiaries. |  The treatment of related undertakings in group solvency calculation is in L2. Additional guidance will be provided in L3. |
| 61. | PwC | BS-C1 – Groups | Consolidated accounts may not be prepared at the level of the group for which Solvency II reporting is required and it would be unduly burdensome to require a GAAP consolidation to be performed solely for the purpose of Solvency II QRTs. Therefore, the ‘statutory accounts value’ column should not be applicable to insurance groups which do not prepare consolidated accounts at the level of the group for which Solvency II reporting is required. | The reported figures in Statutory column should be the "official" statutory balance sheet, independent if national GAAP or IFRS. If such official balance sheet is not required for accounting purposes, the statutory column can be left blank and explained in the qualitative part. |
| 62. | The Directorate General Statistics (DG-S) of the E | BS-C1 – Groups | Quarterly information for groups has been requested by financial stability and the ESRB. | Noted |
| 63. | The Phoenix Group | BS-C1 – Groups | Where the Group level for Solvency II is different to that used for consolidated accounts, a direct comparison at Group level will not be possible. Should the statutory accounts column not be publicly disclosed? | Statutory column will not be subject to public disclosure. |
| 64. | CEA | BS-C1 – Materiality | We support EIOPA’s efforts to introduce materiality thresholds however at present, it is unclear how the exemption for quarterly reporting of this template would apply:a. The term “significant part” is not specific and while we appreciate it allows for flexibility, it could be difficult to define. b. The term “explained sufficiently” also infers that a judgement is made by supervisors when assessing if the Revaluation Reserve in Own Funds is adequately explained by differences in the valuation of investments and technical provisions. This lack of certainty is concerning.c. It is not clear, but we assume that the deferred tax element of any Revaluation Reserve is irrelevant in arriving at the decision on whether to submit BS-C1 quarterly. Please refer to BS-C1–Frequency, where this point is explained further by example.EIOPA’s description of situations when the reconciliation reserve cannot be fully explained should appear in the Guidelines paper, as should all explanations regarding proportionality/materiality. | Please see answer to comment 15.Please see comment n. 19Please see answer to comment 15. |
| 65. | Deloitte Touche Tohmatsu | BS-C1 – Materiality | We suggest to consider additional proportionality measures aimed at the necessary content of the reporting requirements based on a materiality threshold. | Noted |
| 66. | German Insurance Association (GDV) | BS-C1 – Materiality | We support EIOPA’s efforts to introduce materiality thresholds however at present, it is unclear how the exemption for quartery reporting of this template would apply:a. The term “significant part” is not specific and while we appreciate it allows for flexibility, it could be difficult to define. b. The term “explained sufficiently” also infers that a judgement is made by supervisors when assessing if the Revaluation Reserve in Own Funds is adequately explained by differences in the valuation of investments and technical provisions. This lack of certainty is concerning.c. It is not clear, but we assume that the deferred tax element of any Revaluation Reserve is irrelevant in arriving at the decision on whether to submit BS-C1 quarterly. Please refer to BS-C1 – Frequency, where this point is explained further by example.EIOPA’s description of situations when the reconciliation reserve cannot be fully explained should appear in the Guidelines paper, as should all explanations regarding proportionality/materiality. | Please see comment n. 64 |
| 67. | NFU Mutual | BS-C1 – Materiality | The proposed threshold of “significant part” is very unspecific and thus difficult to define, indeed it is not stated with whom the decision on what is “significant” rests. It is still unclear how to interpret the variable content of the reconciliation reserve, particularly where some of its composition is generated by rule rather than valuation changes (eg Goodwill is valued at zero for Solvency II). | Please see answer to comment 15. |
| 68. | CEA | BS-C1 – Purpose | A quantitative reconciliation against statutory accounting valuations will be incredibly difficult. This will be further complicated for undertakings that must submit financial reports according to local GAAP, we anticipate that smaller undertakings may especially be affected by this. We propose instead to provide a narrative explanation of any differences that arise between the Solvency II value and statutory accounts valuation columns. Clarification would be helpful on whether the purpose of this reconciliation is to present valuation differences only. This could be presented in a simplified and more meaningful way. | Please see comment n..1 |
| 69. | German Insurance Association (GDV) | BS-C1 – Purpose | A quantitative reconciliation against statutory accounting valuations will be incredibly difficult. This will be further complicated for undertakings that submit financial reports according to national GAAP, we anticipate that smaller undertakings may especially be affected by this. We propose instead to provide a narrative explanation of any differences that arise between the Solvency II value and statutory accounts valuation columns. Clarification needed if the purpose with this reconciliation is to show only valuation differences. | Please see comment n. 1 |
| 70. | KPMG | BS-C1 – Purpose | The balance sheet template requires a reconciliation of a Solvency II position with the statutory accounts. We welcome the statement that the statutory column will no be required on a quarterly basis.However some uncertainties remain in relation to this part of the template, for example some entities have a different accounting year end to 31 December or for groups the consolidated statutory position may not be available at the relevant group or sub-group level. We would expect EIOPA to provide further guidance on reporting of the statutory information in such situations. | Please note that deadlines for reporting will result from L2. |
| 72. | The Phoenix Group | BS-C1 – Purpose | Please clarify whether the reconciliation with statutory accounting valuations (i.e. IFRS) is intended to only valuation differences, or is the intention to include reclassification differences? | Please see comment n. 35 (on reclassification) |
| 73. | CEA | BS-C1- cell A10A | This comment applies to BS-C1-cells A10A to AS10B.In application of IFRS, only the net profit or loss position is provided on the assets side for derivatives. It should be clarified that this is also the case here. In some cases, local GAAP does not value derivatives at fair value and the data requested will therefore be hard to retrieve. Long term bank deposits and short term bank deposits are not differentiated on local GAAP balance sheets. Guidance provided in the LOG refers to “bank deposits with a term of more than one year”. Clarification would be welcome on whether this refers to the original or remaining term of the deposit. Also, on whether the maturity of deposits is determined by the original term, or from the days to maturity as at the reporting date. Further clarification required: We understand that deposits up to one year have to be shown under the position cash equivalents. The definition of this term (Deposits Other Than Cash Equivalents) in association with cell A27 (Cash and Cash Equivalents) is confusing. The description explicitly states “Deposits other than transferable deposits, with remaining maturity superior to 1 year” but includes CIC category 73 (short term deposits with residual maturity of less than 1 year) – where should CIC category 73 deposits be reported? The description also includes CIC category 72 (Transferable deposits) although the description for A27 (Cash and Cash Equivalents) implies that investments within CIC 72 should be disclosed there instead. Furthermore, where residual maturity of term deposits fall within the undertaking’s accounts payable cycle, should those investments be re-categorised to 71 or 72 and be disclosed within Cash & Cash Equivalents? | Please see comment n. 36 (netting)Please note that the version in CP9 doesn’t include this description.Please also note that in the LOG there is a reference to CIC table providing appropriate definitionsPlease note that the version in CP9 doesn’t include this description. |
| 74. | German Insurance Association (GDV) | BS-C1- cell A10A | This comment applies to A10A-AS10B.In application of IFRS, only the net profit or loss position is provided on the assets side for derivatives. It should be clarified that this is also the case here. In some cases, national GAAP does not value derivatives at fair value and the data requested will therefore be hard to retrieve. Long term bank deposits and short term bank deposits are not differentiated on national GAAP balance sheets. Guidance provided in the LOG refers to ‘bank deposits with a term of more than one year’. Clarification would be welcome on whether this refers to the original or remaining term of the deposit. Also, on whether the maturity of deposits is determined by the original term, or from the days to maturity as at the reporting date. Further clarification required: We understand that deposits up to one year have to be shown under the position cash equivalents. The definition of this term (Deposits Other Than Cash Equivalents) in association with cell A27 (Cash and Cash Equivalents) is confusing. The description explicitly states “Deposits other than transferable deposits, with remaining maturity superior to 1 year” but includes CIC category 73 (short term deposits with residual maturity of less than 1 year) – where should CIC category 73 deposits be disclosed? The description also includes CIC category 72 (Transferable deposits) although the description for A27 (Cash and Cash Equivalents) implies that investments within CIC 72 should be disclosed there instead. Furthermore, where residual maturity of term deposits fall within the undertaking’s accounts payable cycle should those investments be re-categorised to 71 or 72 and be disclosed within Cash & Cash Equivalents? | Please see comment n. 73 |
| 75. | NFU Mutual | BS-C1- cell A10A | Long term bank deposits and short term bank deposits are not differentiated on national GAAP balance sheets. Guidance provided in the LOG refers to ‘bank deposits with a term of more than one year’. Clarification is needed on whether this refers to the original or remaining term of the deposit. | Please note that in the LOG there is a reference to CIC table providing appropriate definitions |
| 76. | Crédit Agricole Assurances | BS-C1- cell A11 | The account « Other investment » is defined in Balance Sheet as an account which contain assets not classified elsewhere. Nevertheless, this account is not in the classification table of CIC Assets (which allow to reconcile data of the Assets D1 template with data of the Balance Sheet).If data are collected in the account « Other assets », is it correct to say that this direct check between the D1 template and the Balance sheet will not be carried out?Corresponding to this account, is it expected to create an Other category CIC?If need be, which assets should be allocated to this account? And, how could we respect the check between the D1 template and the Balance sheet through the CIC table (if this account is used in the Balance sheet)? | This cell is needed in the balance sheet to cover investments that cannot be classified elsewhere.Please note that not all the items in BS-C1 will link to AS-D1. (e.g. derivatives are in D2, recoverables or receivables are not covered by D1). It is not expected to have a “other” category in the CIC code. |
| 77. | Danish Insurance Association | BS-C1- cell A11 | There seems to be inconsistency between BS-C1 and the Assets templates.All assets on the Assets-templates have an attached CIC-code. These codes define the sum on the BS-C1-templates. However on BS-C1 the cell A11(other investments) is included in the sum cell (A4). All other cells included in A4 are related to assets which are included in the Assets-templates (D1/D1Q/D2O/D3), and which thus have an attached CIC-code. It is unclear which assets are included in the CIC-system. And the CIC-code is the key for the connection between the templates.Thus we believe that it is inconsistent that there is an “other investments”-cell(A11) on BS-C1. We believe this cell should be removed from the template. Alternatively a set of CIC-codes connected to this cell could remove this inconsistency.Cell A11 also causes problems connected to BS-C1D. Since the currency split of BS-C1D-cell A3 should be possible to derive from Assets-D1 and D2O. As long as the A11 cell is still inconsistent the sum of D1 and D2O needs to be adjusted by the currency split of A11. | Please see comment n. 76Noted.  |
| 78. | Association of British Insurers (ABI) | BS-C1- cell A12 | Unit linked (UL) funds are included in the D1. There will be a yes/no flag to filter these but the total UL will not reconcile back to BS-C1 because BS-C1 will include UL non-investment assets as well as UL accrued interest on deposits and bonds. Propose to exclude non investment assets from BS-C1 cell A12 so the two QRT’s can reconcile. | Non-investment assets should be presented in D1.Not agreed to exclude non-investment assets as it would cause that supervisor will not have full information on UL. |
| 79. | CEA | BS-C1- cell A12 | This comment applies to BS-C1-cells- A12 to AS12.Confirmation is required that is it no longer required to separately split out assets held to cover linked assets. This is not required by IFRS.  | Separate line for UL and IL should be kept. Please see also comment n. 35 (on classification) |
| 80. | CFO Forum & CRO Forum | BS-C1- cell A12 | We oppose the inclusion of unit-linked funds in D1 and therefore all numbers in relation to UL fund assets should be included as one line item in the balance sheet. | Noted |
| 81. | Danish Insurance Association | BS-C1- cell A12 | It should be specified whether derivatives attached to Unit-linked contracts with a negative value (from D2O) should be included in the A12-sum. Or if they are to be included in the liabilities in cell L16. | Following the approach for A10A that only positive values should be reported in this item, the same approach should be kept for A12.  |
| 82. | German Insurance Association (GDV) | BS-C1- cell A12 | This comment applies to A12 – AS12.Confirmation is required that is it no longer required to separately split out assets held to cover linked assets. This is not required by IFRS.  | Please see comment n. 79 |
| 83. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell A12 | The assets held for unit-linked contracts are only reported on an aggregated basis (total). It would be good to have the breakdown by instrument (as for the non-unit linked contracts. The breakdown of assets held for unit-linked contracts would be needed, mainly to analyse insurers’ investment portfolios and their impact on the pricing and liquidity of financial markets. | More detailed information will be gained via D1. |
| 84. | The Phoenix Group | BS-C1- cell A12 | Please provide further clarification of the definition of ‘Assets held for index-linked and unit-linked funds’? Is the intention to include certain Insurance products (e.g. Index-linked annuities) where not all Investment risk is borne by the policyholder? | All index-linked and unit-linked funds assets will be reported in cell A12. |
| 85. | CEA | BS-C1- cell A14 | This comment applies to BS-C1-cells A14 to AS14.We question whether it is relevant to mix different items such as mortgage loans and reverse repos, their maturity is normally very different (long term vs. short term). As a general comment, we consider loans on policies to be immaterial.  | For BS-C1 those items will be reported together. Please note that additional information is available in Assets-D1. |
| 86. | Federation of Finnish Financial Services | BS-C1- cell A14 | A14 is Loans & mortgages (except loans on policies) in assets side. There is also the field AS14 (Other technical provisions) in the liability side – is this really correct? Shouldn’t it be LS14 on liability side instead?Other technical provisions is to be disclosured only in statutory accounts value, it must cover e.g. equalisation provision/ reserve, mustn’t it? | Noted. Correction was made.Should cover other technical provisions resulting from local GAAP. |
| 87. | German Insurance Association (GDV) | BS-C1- cell A14 | This comment applies to A14 – AS14.It was questioned whether it was relevant to mix different items such as mortgage loans and reverse repos, their maturity is normally very different (long term vs. short term). As a general comment, we consider loans on policies to be immaterial.  | Please see comment n. . 85 |
| 88. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell A14 | A breakdown of “mortgages and loans” into household and corporate loans would support also the credit risk analysis. | More detailed information will be gained via D1 (using CIC codes).  |
| 89. | CEA | BS-C1- cell A14A | In some cases, this item is not reported separately on the IAS/IFRS balance sheet, but instead is incorporated with “other loans”. We query whether this would include other collateral such as cash pooling. | In some cases it is quite material position, so should be kept separately.No. Cash pooling may be investment funds, bank deposits, etc. depending on its agreement. CIC codes will be up-dated regularly. |
| 90. | German Insurance Association (GDV) | BS-C1- cell A14A | In some cases, this item is not reported separately in the IAS/IFRS balance sheet, but instead is incorporated with “other loans”. We query whether this would include other collateral such as cash pooling. | Please see comment n. 89 |
| 91. | Federation of Finnish Financial Services | BS-C1- cell A17 | A17-A19A: Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 92. | German Insurance Association (GDV) | BS-C1- cell A17 | A17-A19A: Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 93. | Federation of Finnish Financial Services | BS-C1- cell A18 | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 94. | Federation of Finnish Financial Services | BS-C1- cell A18A | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 95. | German Insurance Association (GDV) | BS-C1- cell A18A | long-term care pension insurance: health or live??? | Definition for health will be in L2. |
| 97. | Federation of Finnish Financial Services | BS-C1- cell A19 | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 98. | Federation of Finnish Financial Services | BS-C1- cell A19A | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 99. | CEA | BS-C1- cell A2 | This comment applies to A2 and AS2.It would be helpful to have examples of intangible assets, according to local GAAP some intangible assets consist mainly of internally developed software and acquired portfolios. Clarification of interpretations would be helpful in this respect.  | No need for examples under national GAAP. The ITS on valuation will clarify the treatment of intangibles under SII.  |
| 100. | Deloitte Touche Tohmatsu | BS-C1- cell A2 | More guidance is required on the Solvency II condition that ‘the intangible can be sold on the market’. Does it equal the conditions in IFRS; identifiable, controllable and econ. benefits? We consider it useful in providing specific guidance in the LOG-file on the conditions that apply for Solvency II recognition of Intangible Assets.Moreover, we also consider it useful in providing specific guidance in the LOG-file with respect to the Solvency II valuation of Intangible Assets. | The ITS on valuation will clarify the treatment of intangibles under SII. |
| 101. | German Insurance Association (GDV) | BS-C1- cell A2 | This comment applies to A2 and AS2.It would be helpful to have examples of intangible assets under national GAAP, in some countries intangible assets consist mainly of internally developed software and acquired portfolios, clarification of interpretations would be helpful in this respect.  | Please see comment n. 99 |
| 102. | Association of British Insurers (ABI) | BS-C1- cell A20 | “Reinsurance receivables” is defined as follows, “amounts due by reinsurers and linked to reinsurance business, but that are not reinsurance recoverable”. Does this cell aim to capture data on receivables arising on reinsurance business assumed or purely amounts due by reinsurers to whom an undertaking has ceded business. “Reinsurance recoverable” should be fully defined in the Log. | It should cover both. |
| 103. | CEA | BS-C1- cell A20 | This comment applies to BS-C1-cells A20 to AS20.The definition in the LOG for “reinsurance receivables” is as follows, “amounts due by reinsurers and linked to reinsurance business, but that are not reinsurance recoverables”. Since reinsurance recoverables are not defined in this context, supervisory guidance and examples would be of help.Should cell A20 (reinsurance receivables) be included in the sum shown in this cell? It is not in line with reinsurance template J3-cell N1 (Total reinsurance recoverables). | Examples indicated in LOG. More information will be covered by L2. + Please see comment n. 102It relates to sum in A16, where A20 is deleted. |
| 104. | Danish Insurance Association | BS-C1- cell A20 | Cell A16 in the template is calculated as a sum including A20. However the italics in the cell description seem to indicate that this should not be the case. | The formula in A16 should not cover A20. |
| 106. | German Insurance Association (GDV) | BS-C1- cell A20 | This comment applies to A20 – AS20.The definition in the LOG for “reinsurance receivables” is as follows, “amounts due by reinsurers and linked to reinsurance business, but that are not reinsurance recoverable. Since reinsurance recoverables are not defined in this context, supervisory guidance and examples would be of help.Should cell A20 (Reinsurance receivables) really be included in the sum showed in this field? It is not in line with reinsurance report J3 cell N1 (Total reinsurance recoverables). | Please see comment n. 103 |
| 107. | RSA Insurance Group plc | BS-C1- cell A20 | The formula on the face of BS-C1 for cell A16 includes this cell, but the LOG does not state this. It appears that the LOG is correct but the face of the template is wrong –this needs to be clarified. | Please see comment n. 104 |
| 108. | The Phoenix Group | BS-C1- cell A20 | Should ‘Reinsurance receivables’ be included in the Total cell – A16? Not consistent with QRT J3 – Total reinsurance recoverables. | Please see comment n. 104 |
| 110. | Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA L | BS-C1- cell A23 | Please specify what should be reported in this cell. | Definition in LOG. |
| 111. | Association of British Insurers (ABI) | BS-C1- cell A23 | Do intra-group balances have to be split between A23 and A20 to distinguish between those arising from insurance related transactions and other transactions? The Log needs to provide some clarity on where intra-group balances should be captured.Should prepayments and accrued income be included in here or in cell A27? | Please see comment n. 112 |
| 112. | CEA | BS-C1- cell A23 | This comment applies to BS-C1-cells A23 to AS23; cells A29 to AS29.Further clarification required: Where should intra-group insurance receivables be reported: A23 or A29? We also question whether prepayments are to be included here also.There is a typo in the LOG, this cell is referred to as A25 – AS25, whereas the corresponding cell in the template is numbered A23 – AS23.  | Depending on their character: A21, A23 or A 29.For recognition, the IFRS-criteria apply. If accruals on the IFRS balance sheet have an economic value, they should be included in the Solvency II balance sheet. This will depend on whether the right connected to the prepayments are transferable and at which price. Generally speaking, it is not possible to recognize deferred incomes or expenses (as DAC) if it is inconsistent with the economic value approach.Old comment. |
| 114. | German Insurance Association (GDV) | BS-C1- cell A23 | This comment applies to A23 – AS23; A29 – AS29.Further clarification required: Where should intra-group insurance receivables be reported: A23 or A29? It is also whether prepayments are to be included here also.There is a typo in the LOG, this cell is referred to as A25 – AS25, whereas the corresponding cell in the template is numbered A23 – AS23.  | Please see comment n. 112 |
| 115. | Royal London Group | BS-C1- cell A23 | Should prepayments and accrued income be included in here or in cell A29 ? | Please see comment n. 112 |
| 116. | RSA Insurance Group plc | BS-C1- cell A23 | Please clarify where intercompany (i.e. same group) insurance receivables are to be placed: A23 or A29.It is not clear whether prepayments are to be included here also. | Please see comment n. 112 |
| 117. | Groupe Consultatif | BS-C1- cell A25B | What is the treatment of pension benefit deficits and on what basis should these be valued (IAS19?).  | Valuation rules will be specified in L3. |
| 118. | AMICE | BS-C1- cell A26 | The LOG document should indicate that the Balance Sheet should provide a net position between deferred tax assets and deferred tax liabilities. | Not agree. Please see comment n. . 36 (netting) |
| 119. | Deloitte Touche Tohmatsu | BS-C1- cell A26 |  Given the fact that deferred tax items can have a significant impact on the Solvency II result (loss absorbing adjustment), it can be considered useful including a separate detail on the source of the deferred tax items. | Not a presentation issue. Valuation rules will be specified in L3. |
| 120. | CEA | BS-C1- cell A27 | This comment applies to BS-C1-cells A27 to AS27.We propose to merge “cash” and “debts owed to credit institutions” (Cells A27 and L19) in order to report only the net exposure. | Disagree. |
| 121. | German Insurance Association (GDV) | BS-C1- cell A27 | This comment applies to A27 – AS27.We propose to merge “cash” and “debts owed to credit institutions” (Cells A27 and L19) in order to report only the net exposure. | Please see comment n. 120 |
| 122. | Lloyd’s | BS-C1- cell A27 | It has been indicated on the table in the LOG , that cash and cash equivalents refers to CIC 71 &72 (cash and transferable deposits). Solvency II uses IFRS as a proxy and as per IAS 7, Statement of cash flows, cash equivalents are described as “short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value i.e. with maturity of 3 months or less from the date of acquisition”. Following this definition, the composition of cash and cash equivalents could extend beyond that indicated on the LOGs, for example, some money market funds could meet this definition. If that is the case, should cash and cash equivalents refer to CIC 71,72 and 79 or should description of CIC 72 be expanded to incorporate short term investments meeting requirements under IAS 7? | Please see comment n. 35 (on classification) |
| 123. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell A27 | A breakdown between “Cash” and “Transferable deposits” is required. | Noted |
| 124. | CEA | BS-C1- cell A29 | Please refer to BS-C1-cell A23.We assume this category would include prepayments and accrued income. More guidance in the LOG would be helpful to determine what would be included here. The meaning of “regularisation accounts” is unclear.  | Please see comment n. 112Old comment. |
| 125. | German Insurance Association (GDV) | BS-C1- cell A29 | Please refer to BS-C1- cell A23.We assume this category would include prepayments and accrued income. More guidance in the LOG would be helpful to determine what would be included here. The meaning of ‘regularisation accounts’ is unclear.  | Please see comment n. . 112Old comment. |
| 126. | Royal London Group | BS-C1- cell A29 | Should prepayments and accrued income be included in here or in cell A23 ? | Please see comment n. 112 |
| 127. | RSA Insurance Group plc | BS-C1- cell A29 | Please clarify where intercompany (i.e. same group) non-insurance receivables are to be placed: A23 or A29. | Please see comment n. 112 |
| 128. | CEA | BS-C1- cell A3 | This comment applies to A3 and AS3.The reporting templates should reflect results of other discussions on Solvency II. For example, “properties for own use” are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation SCR.5.44). Consistency should be ensured.In some countries, the local GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use.In some cases, undertakings indicated difficulties in performing fair value valuations due to the need to constantly update third-party estimates. In relation to this, the frequency of revaluation for such items should be clarified.Further clarification required: Is the definition for own use property and investment property the same under SII and IFRS? For example if a building is used for own use and by third parties. How does the apportioning work in Solvency II? | Keep „property for own use“ separate from investments, as consistent with IFRS / Accounting directive presentation.Also, property for own use are available in D1 anyways + SCR Market also applies to liabilities (e.g. interest rate risk).No difference in categories for SII valuation. Fair value in both cases, see ITS on valuation.Useful for supervision purposes, including PPP. |
| 129. | Crédit Agricole Assurances | BS-C1- cell A3 | Could you precise the treatment of properties under construction in Solvency II?Should they be classified in « Property, plant & equipement held for own use » (A3) or in « Property (other than for own use)” (A5) in the Investments part (as it is the case in IFRS standards). | CIC 94, then in BS in A5. |
| 130. | German Insurance Association (GDV) | BS-C1- cell A3 | This comment applies to A3 and AS3.The reporting templates should reflect results of other discussions on Solvency II. For example, “properties for own use” are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation SCR.5.44). Consistency should be ensured.In some countries, the national GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use.In some cases, undertakings indicated difficulties in performing fair value valuations due to the need for constantly update third-party estimates. In relation to this, the frequency of revaluation for such items should be clarified.Further clarification required: Is the definition for own use property and investment property the same under SII and IFRS? For example if a building is used for own use and by third parties. How does the apportioning work in Solvency II? | Please see comment n. 128 |
| 131. | CEA | BS-C1- cell A5 | This comment applies to A5 and AS5.The reporting templates should reflect results of other discussions on Solvency II. For example, “properties for own use” are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation SCR.5.44). Consistency should be ensured.In some countries, the local GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use.We query if this cell would include buildings held for resale? | Please see comment n. 128If it is not for own use, then yes. |
| 132. | German Insurance Association (GDV) | BS-C1- cell A5 | This comment applies to A5 and AS5.The reporting templates should reflect results of other discussions on Solvency II. For example, “properties for own use” are not considered as an investment in the Solvency II balance sheet yet they are regarded as an investment in the SCR calculation SCR.5.44). Consistency should be ensured.In some countries, the national GAAP balance sheet does not differentiate between property which is held for own use or is held other than own use.We query if this cell would include buildings held for resale ? | Please see comment n. 128 |
| 133. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell A5 | A breakdown of property investment by type of property (office, retail, residential, etc) would significantly enhance investment risk analysis | Information will be provided in D1. |
| 134. | AMICE | BS-C1- cell A6 | Participations – we assume that this covers participating interests in both related and associated undertakings i.e. both ownership and loans. Could EIOPA provide some guidance on that? | Only participations through equities. |
| 135. | CEA | BS-C1- cell A6 | This comment applies to both A6 and AS6.We assume that “participations” covers participating interests in both related and associated undertakings i.e. both ownership and loans.Further guidance should be given on how an “organised and officially recognised market” should be interpreted for participations.Supervisory guidance would be helpful on whether the Solvency II valuation should also be used in Assets – D1. | Please see comment n. 134The ITS on valuation gives guidance on participations and active markets (following IFRS principles).Assets templates are for SII purposes, so SII valuation should be used. |
| 136. | German Insurance Association (GDV) | BS-C1- cell A6 | This comment applies to both A6 and AS6.We assume that “participations” covers participating interests in both related and associated undertakings i.e. both ownership and loans.Further guidance should be given on how an “organised and officially recognised market” should be interpreted for participations.Supervisory guidance would be helpful on whether the Solvency II valuation should also be used in Assets – D1. | Please see comment n. 134Please see comment n. 135 |
| 137. | KPMG | BS-C1- cell A6 | It is unclear if this line is only applicable to solo reporting or if groups are also required to present participations in this line. If groups are required to present participations in this line, guidance should be provided on what should be included here. | Holdings in related undertakings which are not fully consolidated (“line-by-line” will be included as a participation in A6-AS6. Treatment of related undertaking in the group solvency calculation is in L2. Further guidance will be provided in L3. |
| 138. | CEA | BS-C1- cell A7 | We query if the LOG definition should read “when cell A16 of Assets D1 is not “N”? | No. It relates to cases when the item is not a participation (‘N’ in A16 of D1). |
| 139. | Federation of Finnish Financial Services | BS-C1- cell A7 | No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet.  | Noted |
| 140. | German Insurance Association (GDV) | BS-C1- cell A7 | Further clarification required: Should the definition in the LOG read “when cell A16 of Assets D1 is not “N”? | Please see comment n. . 138 |
| 141. | CEA | BS-C1- cell A7A | No split should be made between listed and unlisted equities. This comment applies to BS-C1-cells-A7A to AS7A. | Disagreed. |
| 142. | Federation of Finnish Financial Services | BS-C1- cell A7A | No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet.  | Noted |
| 143. | German Insurance Association (GDV) | BS-C1- cell A7A | No split should be made between listed and unlisted. This comment applies to A7A and AS7A. | Noted |
| 144. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell A7A | Comment: would it be possible to know here the valuation criteria of the non-listed instruments? Or is this information included in the qualitative report?According to the European System of Accounts 1995 (ESA95), paragraph 7.52., shares and other equity (AF.5) are to be valued at their current prices, and the same current price is adopted for both the asset side and the liability side.As regards quoted and unquoted shares:“7.53. Quoted shares (AF.511) are to be valued at a representative mid-market price observed on the stock exchange or other organised financial markets. 7.54. The values of unquoted shares (AF.512), which are not regularly traded on organised markets, should be estimated with reference to the values of quoted shares. However, these estimates should take into account differences between the two types of shares, notably their liquidity, and they should consider the reserves accumulated over the life of the corporation and its branch of business. 7.55. The estimation method applied depends very much on the basic statistics available. It may take into account, for example, data on merger activities involving unquoted shares. Furthermore, in cases where the reserves of corporations, which issue unquoted shares, differ on average, and in proportion to their nominal capital, from that of corporations, which issue quoted shares, it would be appropriate to calculate the current price of unquoted shares in proportion to figures including reserves, such as net worth given by the corporation balance sheet, or as own funds compiled according to ESA principles: A = current price of unquoted shares B = current price of quoted share C = own funds (unquoted corporations) divided by own funds (quoted corporations)A = B x C The ratio of current price to own funds may vary with the branch of business. Therefore, it is preferable to calculate the current price of unquoted shares branch by branch. There may be other differences between quoted and unquoted corporations, which may have an effect on the estimation method.” | Information regarding these criteria is included in the SFCR qualitative report. |
| 145. | Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA L | BS-C1- cell A8 | Please specify the definition of « Structure notes ». | Noted. Please note that the LOG file already provides a definition, and more detail is available in the AS-D1 LOG file and in the CIC table. |
| 146. | CEA | BS-C1- cell A8 | This comment applies to BS-C1-cells A8 to AS8.The definition of “Government bonds” as quoted from the LOGs issued during the informal consultation carried out in summer 2010, was as follows:Government bonds as defined in the CEIOPS L2 advice on structure and design of market risk module (ex-CP 47) for spread risk sub-module : bonds issued “by or demonstrably guaranteed by national government of an OECD or EEA state, issued in the currency of the government, or issued by a multilateral development bank as listed in Annex VI, Part 1, Number 4 of the Capital Requirements Directive (2006/48/EC) or issued by an international organisation listed in Annex VI, Part 1, Number 5 of the Capital Requirements Directive (2006/48/EC).”The definition used in this consultation is different from the one above as it does not seem to include … “bonds demonstrably guaranteed by national government…” We support further clarification on the definition of government bonds to be included in the balance sheet.Further clarification required: The condition that these borrowings need to be issued in the currency of the government needs clarification.  No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet. | Old comment.Please note that this definition consistent with the one provided in the CIC table, and that should be the definition for reporting cell A8.Old comment.Please see comment n. 141 |
| 147. | Federation of Finnish Financial Services | BS-C1- cell A8 | No split should be made between government and corporate bonds – too many details will decrease the overview of the Balance sheet. | Noted |
| 148. | German Insurance Association (GDV) | BS-C1- cell A8 | This comment applies to cells A8 – AS8In the LOGs issued in the informal consultation carried out in summer 2010, the definition of Government bonds was as follows:Government bonds as defined in the CEIOPS L2 advice on structure and design of market risk module (ex-CP 47) for spread risk sub-module : bonds issued “by or demonstrably guaranteed by national government of an OECD or EEA state, issued in the currency of the government, or issued by a multilateral development bank as listed in Annex VI, Part 1, Number 4 of the Capital Requirements Directive (2006/48/EC) or issued by an international organisation listed in Annex VI, Part 1, Number 5 of the Capital Requirements Directive (2006/48/EC).”The definition used in this consultation is different from the one above as it does not seem to include … “bonds demonstrably guaranteed by national government…” We propose that the definition of government bonds to be included in the balance sheet should be clarified.Further clarification required: The condition that these borrowings need to be issued in the currency of the government needs clarification.  No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet. | Please see comment n. 146 |
| 149. | NFU Mutual | BS-C1- cell A8 | There is an inconsistency between the analysis of Investment Assets as reported in local GAAP, and that used in SII (certain ‘products’ are reported in specific ways locally but have different placement in SII, mostly relates to Government supported items). Should a reanalysis of existing GAAP reporting therefore be required for SII ? | Please see comment n. 35 (on classification) |
| 150. | RSA Insurance Group plc | BS-C1- cell A8 | It needs to be clarified, given the link made between this form and Assets-D1, whether accrued interest ought to be included within the valuation here and not separately (i.e. “dirty” prices).  | Reporting will follow valuation rules. In theis case accrued interest should be included. Further clarification can be found in the L3 valuation guidelines. |
| 151. | The Phoenix Group | BS-C1- cell A8 | Please clarify the definition of govenment bonds.Does this include ‘bonds demonstrably guaranteed by national government’  | Please see comment n. 146. |
| 152. | CEA | BS-C1- cell A8A | This comment applies to BS-C1-cells-A8A and AS8A.As it currently stands, the CIC does not seem to adequately distinguish between different types of risk categories, primarily with bonds. Financials and Corporates as well as Covered Bonds are all put into one asset group (Bonds- Corporate bonds); subordinated bonds are not addressed as a single category. The definitions used should be applicable in all countries or additional categories in the CIC to report certain items separately would be of help. For example in Germany, a product exists (Pfandbriefe) where the underlying portfolio is based on real estate. These products are strictly regulated at a national level and covered by secure bonds. For the purpose of this template, they are grouped as ABS instruments which may be misleading in terms of risk impacts. | Noted. The CIC table aims at having a classification by both category of asset and main risk driver. Additional information on risk will be obtained by other cells in Assets-D1 and from financial external information providers.Undertakings should classify their assets using the CIC code that the undertaking considers more adequate, given the asset characteristic.Being a standard codification system, it is not possible to have a breakdown that covers all national issues’ specificities. |
| 153. | Federation of Finnish Financial Services | BS-C1- cell A8A | No split should be made between government and corporate bonds – too many details will decrease the overview of the Balance sheet. | Noted. The breakdown by corporate and government bonds is considered to be very high level and should not be excluded from the SII balance sheet. Please note that for the statutory account column this split is optional. |
| 154. | German Insurance Association (GDV) | BS-C1- cell A8A | This comment applies to A8A – AS8C.Only in this case the industry will be able to successfully enter the new reporting system In some cases, structured notes do not appear separately on national GAAP balance sheets. As it currently stands, the CIC does not seem to adequately distinguish between different types of risk categories, primarily with bonds. Financials and Corporates as well as Covered Bonds are all put into one asset group (Bonds- Corporate bonds); subordinated bonds are not addressed as a single category. | Please see comment n. 156Please see comment n. 152 |
| 155. | RSA Insurance Group plc | BS-C1- cell A8A | See A8 above. |  |
| 156. | CEA | BS-C1- cell A8C | In some cases, structured notes do not appear separately on local GAAP balance sheets. This comment also applies to BS-C1-AS8C. | Please see comment n. 35 (on classification) |
| 157. | The Phoenix Group | BS-C1- cell A9A | Cells A9A – A9F:Investment Managers have indicated that there may be issues with providing access to look-through data on Investment Funds, as this is market-sensitive data. Data reported may be out of date because of this. We therefore recommend that look-through data is not reported.These values are disclosed on the Assets template – D4. Why are they also required to be disclosed on the Balance sheet? | Please see comment n. . 37 |
| 158. | The Phoenix Group | BS-C1- cell A9B | As A9A |  |
| 159. | The Phoenix Group | BS-C1- cell A9C | As A9A |  |
| 160. | The Phoenix Group | BS-C1- cell A9D | As A9A |  |
| 161. | The Phoenix Group | BS-C1- cell A9E | As A9A |  |
| 162. | The Phoenix Group | BS-C1- cell A9F | As A9A |  |
| 163. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell AS12 | The assets held for unit-linked contracts are only reported on an aggregated basis (total). It would be good to have the breakdown by instrument (as for the non-unit linked contracts). The breakdown of assets held for unit-linked contracts would be needed, mainly to analyse insurers’ investment portfolios and their impact on the pricing and liquidity of financial markets. | Please see comment n. 83 |
| 164. | CEA | BS-C1- cell AS14 | We query why this item appears on both the assets and liabilities side of the balance sheet. For assets, it is entered in the accounting valuation column as “loans and mortgages (except loans on policies)”. On the liability side, it is entered in the accounting valuation column as “other technical provisions”.We presume that on the liabilities side, the entry should have the code LS14 however there is no corresponding row to provide feedback, or definition in the LOG document.Other technical provisions will cover the equalisation provision and reserve and as such, should only be reported on the liability side of the balance sheet. | On liability side should be LS14 (correction provided).Yes. Should be LS14. Only in statutory column, that is why there is no need for a definition (should result from local GAAP). |
| 165. | Crédit Agricole Assurances | BS-C1- cell AS14 | Could you precise elements that can be classified in the account « Other technical provisions » in IFRS? What could these technical provisions from local GAAP be?Should we integrate other specific IFRS provisions (as example: LAT, provisions for insufficient of liabilities…?)Besides, the cell title in the BS-C1 template should be LS14 instead of AS14. Is this assumption correct? | In some local GAAP such provisions exist – where undertaking in its internal regulations determines such TPs.Correction made. |
| 166. | German Insurance Association (GDV) | BS-C1- cell AS14 | We query why this item appears on both the assets and liabilities side of the balance sheet. For assets, it is entered in the accounting valuation column as “loans and mortgages (except loans on policies”. On the liability side, it is entered in the accounting valuation column as “other technical provisions”.We presume that on the liabilities side, the entry should have the code LS14 however there is no corresponding row to provide feedback or definition in the LOG document. Other technical provisions will cover the equalisation provision and reserve and as such, should only be reported on the liability side of the balance sheet. | Correction made – on the liabilities side – LS14. |
| 167. | RSA Insurance Group plc | BS-C1- cell AS14 | “AS14” shown twice on C1 – it should be clarified that this is an error and that the one on the liability side should actually be LS14.  | Please see comment n. 166 |
| 168. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell AS14 | A breakdown of “mortgages and loans” into household and corporate loans would support also the credit risk analysis. | Please see comment n. 88 |
| 169. | The Phoenix Group | BS-C1- cell AS14 | AS14 on Liability side of Balance Sheet should be LS14 | Please see comment n. 166 |
| 170. | Federation of Finnish Financial Services | BS-C1- cell AS17 | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 171. | Federation of Finnish Financial Services | BS-C1- cell AS18 | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 172. | Federation of Finnish Financial Services | BS-C1- cell AS18A | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 173. | German Insurance Association (GDV) | BS-C1- cell AS18A | long-term care pension insurance: health or live??? | Please see comment n. 95 |
| 175. | Federation of Finnish Financial Services | BS-C1- cell AS19 | Reinsurance recoverable should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 176. | Danish Insurance Association | BS-C1- cell AS20 | Cell AS16 in the template is calculated as a sum including AS20. However the italics in the cell description seem to indicate that this should not be the case. | Correction made - AS20 deleted in AS16. |
| 177. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell AS27 | A breakdown between “Cash” and “Transferable deposits” is required. | Please see comment n. 123 |
| 178. | RSA Insurance Group plc | BS-C1- cell AS29 | The A30 definition on the face of the template appears to include sub-totals (as does that for L25 total) – we presume this is an error. | Noted. |
| 179. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell AS5 | A breakdown of property investment by type of property (office, retail, residential, etc) would significantly enhance investment risk analysis | Please see comment n. 133 |
| 180. | Federation of Finnish Financial Services | BS-C1- cell AS7 | No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet.  | In LOG for Statutory accounts value it is stated that: ‘*Figures can either be filled item by item, or with just one figure for several items if they are separated by a dotted line (further split possible, but not required).*’ |
| 181. | RSA Insurance Group plc | BS-C1- cell AS7 | The significance of the dotted line between this and AS7A (and in other instances in this template) should be more clearly explained. | Clarification in LOG. |
| 182. | Federation of Finnish Financial Services | BS-C1- cell AS7A | No split should be made between listed and unlisted – too many details will decrease the overview of the Balance sheet.  | Please see comment n. 180 |
| 183. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell AS7A | Comment: would it be possible to know here the valuation criteria of the non-listed instruments? Or is this information included in the qualitative report?According to the European System of Accounts 1995 (ESA95), paragraph 5.140., shares and other equity, excluding mutual funds shares (F.51) are valued as follows:“a) new shares are recorded at issue value, which normally corresponds to nominal value plus the issue premium; b) transactions in shares in circulation are to be recorded at their transaction value. When it is not known, it may be approximated by the stock exchange quotation or market price for quoted shares and by the book value for unquoted shares; c) scrip dividend shares are valued at the price implied by the issuer’s dividend proposal; d) issues of bonus shares are not recorded in the system (see paragraph 5.93.). However, in cases where the issue of bonus shares involves changes in the total market value of the shares of a corporation, the changes are to be recorded in the revaluation account (see paragraph 6.56.); e) the transaction value of other equity (F.513) is the amount of funds transferred by the owners to their corporations or quasi-corporations. In some cases, funds can be transferred by assuming liabilities of the corporation or quasi-corporation.”  | Please see comment n. 144 |
| 184. | Federation of Finnish Financial Services | BS-C1- cell AS8 | No split should be made between government and corporate bonds – too many details will decrease the overview of the Balance sheet. | Please see comment n. 180 |
| 185. | Federation of Finnish Financial Services | BS-C1- cell AS8A | No split should be made between government and corporate bonds – too many details will decrease the overview of the Balance sheet. | Please see comment n. 180 |
| 186. | Association of British Insurers (ABI) | BS-C1- cell AS9 | Further clarification required: Further guidance is required on how to classify investments in collective investment vehicles and other investments packaged as funds. For example, it is not clear whether a 100% bond fund should be classified as ‘Investment funds’ or ‘bonds’ for reporting purposes.  Clarification would be helpful on the treatment of consolidated special funds, mutual funds, funds of funds.  Should the remaining private equity commitments be reported here? If so, where should the corresponding liability should be reported? Earlier there was a row called uncalled investments in liabilities. Or should they be reported now under contingent liabilities? List of investment funds in BS-C1 and D1Q is not consistent with CIC code. We recommend rather use CIC code than use additional splitting. | Please see comment n. 187 |
| 187. | CEA | BS-C1- cell AS9 | This comment applies to BS-C1-cells-A9 to AS11.It is unclear how to deal with currency effects in this section, for example a fund is booked in EUR but the underlying instruments are in a number of different currencies. It is not clear in accounting how this would be broken down as far as underlying instruments. These cells follow categorisation used in Assets-D1Q which is a quarterly template. Since this template will not be required, in all cases, on a quarterly basis, EIOPA should use the categorisation in Assets-D1 which is an annual template. Further clarification required: Further guidance is required on how to classify investments in collective investment vehicles and other investments packaged as funds. For example, it is not clear whether a 100% bond fund should be classified as ‘Investment funds’ or ‘bonds’ for reporting purposes.  Clarification would be helpful on the treatment of consolidated special funds, mutual funds, funds of funds.  We query if remaining private equity commitments should be reported under this section and if so, where the corresponding liability would appear. It could be that this is reported under contingent liabilities? | Data are to be presented in reporting currency.The new version of BS-C1 will have this breakdown by CIC investment fund category and only for disclosure purposes.Should be classified using CIC 42.Depending on the type of assets the funds invest into.Private equity funds should also be included in this cell. |
| 188. | CFO Forum & CRO Forum | BS-C1- cell AS9 | We do not support the proposed split of investment funds. It is burdensome, not consistent with other templates and neither is it in line with the way we manage our investment funds.We also note that the list of investment funds in BS-C1 and D1Q is at a greater level of granularity than the available CIC codes. We recommend that the most appropriate CIC code is used, instead of further splitting. For example, a fund invested mainly in equities would be coded 41.”We note that the list of investment funds in BS-C1 and D1Q is not consistent with CIC code. We recommend rather use CIC code than use additional splitting. Eg a fund mainly invested in equities would be coded 41. | Please see comment n. 187Split in BS will be consistent with CIC table, but only for disclosure purposes. |
| 189. | Czech Insurers Association | BS-C1- cell AS9 | A9 vs. A12 – Investment funds : the split according to look-through approach is required, but on the other hand Assets held for index-linked and unit-linked funds are reported as one intem – these often contain investment funds too. Inconsistent approach. | Detailed information on assets will be in Assets-D1. |
| 190. | Federation of Finnish Financial Services | BS-C1- cell AS9 | Comment to A9A- A9F: This classification results in additional work because of the level of detail and it will not provide a transparent Balance Sheet from the reader’s point of view.Does this need to be specified in the Balance Sheet? The information which is requested here will be gathered by calling/contacting each fund company where we have our holding in. Then the fund companies must estimate each fund which means that the figures will not be reliable during the reporting period. Correct amounts will be with one-quarter drop. Another issue which is very unclear with this reporting is how we should deal with the currency effects when for example we have a fund booked in EUR but the underlying instruments are in a couple of different currencies. How can you break down this fund into the underlying instruments in accounting? How should the currency issue be handled/reported?In purpose column it would be better to say Assets – D4 report as in other guidelines of other cells in order not to wonder what D4. | Split in BS will be consistent with CIC table, but only for disclosure purposes.The information required in the version for CP9 should be available as for the look-through approach prescribed by SII Derictive. More detail can be found in Level 2 IM and Level 3 TS and GL.All data should be presented in reporting currency. |
| 191. | German Insurance Association (GDV) | BS-C1- cell AS9 | It is unclear how to deal with currency effects in this section, for example a fund is booked in EUR but the underlying instruments are in a number of different currencies. It is not clear in accounting how this would be broken down as far as underlying instruments. Further clarification required: Further guidance is required on how to classify investments in collective investment vehicles and other investments packaged as funds. For example, it is not clear whether a 100% bond fund should be classified as ‘Investment funds’ or ‘bonds’ for reporting purposes.  Clarification would be helpful on the treatment of consolidated special funds, mutual funds, funds of funds.  We query if remaining private equity commitments should be reported under this section and if so, where the corresponding liability would appear. It could be that this is reported under contingent liabilities? | Please see comment n. 187 |
| 192. | NFU Mutual | BS-C1- cell AS9 | This classification results in additional work because of the level of detail requiring a look-through approach. Additionally, this does not give consistency with Assets D4, where there is an exemption from preparing a look-through if these Investments form <20% of the overall total. We recommend that this requirement is made consistent with Assets D4 and this analysis not required below the 20% threshold. | Split in BS will be consistent with CIC table, but for disclosure purposes only. Thus it will be possible to derive appropriate information from Assets-D1. |
| 193. | Royal London Group | BS-C1- cell AS9 | This comment relates to A9 to A9E. Further guidance is required on how to perform the split of investment funds. This should be a high level split only and not a full look-through. For example a government bond fund may hold a small amount of cash and receivables. The whole value of the fund should be shown as ‘government bonds in invested funds’. The alternative of showing only the bond value in ‘government bonds in invested funds’ and the cash and receivables in ‘other financial assets in invested funds’ will be very onerous to do and of limited value to the user.A9-A9E –is the look-through information expected to agree back to Assets-D4 (i.e. is the same level of look-through expected for both the Balance Sheet and the specific look-through template). | Split in BS will be consistent with CIC table, but for disclosure purposes only. Thus it will be possible to derive appropriate information from Assets-D1. |
| 195. | AMICE | BS-C1- cell AS9A | It was questioned whether it was relevant to further split investment funds (defined as undertakings the sole purpose of which is the collective investment in transferrable securities and/or in other financial assets) in A9A-A9E in these investing in equities government bonds, corporate bonds, property, derivatives and other. Any further split is not necessary as the information is already requested in D4.Additionally (and from an accounting point of view), only the investment funds should be registered in the balance sheet of the company as they, and not their underlying assets, compose the assets held by the undertaking. This is also indicated in article 75(1)(a) from the Framework Directive where it says that “assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm’s length transaction”. Their components could not be transferred (by the insurance undertaking) on an stand-alone basis but only the total value of the investment fund. | Please see comment n. 187 |
| 196. | Association of British Insurers (ABI) | BS-C1- cell AS9A | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Split in BS will be consistent with CIC table, but for disclosure purposes only. Thus it will be possible to derive appropriate information from Assets-D1. |
| 197. | CFO Forum & CRO Forum | BS-C1- cell AS9A | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group on a basis as detailed and precise needed for the inclusion of such a detail in a balance sheet. | Split in BS will be consistent with CIC table, but for disclosure purposes only. Thus it will be possible to derive appropriate information from Assets-D1. However undertakings should have appropriate information from fund managers, as required by the look-through approach prescribed under SII rules. |
| 198. | Deloitte Touche Tohmatsu | BS-C1- cell AS9A | We recommend including further clarification in how the split between the different investment funds has to be made. Investment funds often include different types of investments (fund of funds / mixed funds / …).In addition we consider it useful in confirming that the application of a look through approach for investment funds is not reflected directly on the balance sheet but only in the SCR calculations. Nevertheless a look through presentation (if applied) can provide useful information. | Please see comment n. 196Look through approach is foreseen for D4. |
| 199. | German Insurance Association (GDV) | BS-C1- cell AS9A | Applies to A9A-A9FDo investment funds in which the undertaking holds more than 20% (including special funds) constitute a “participation”, because they meet the definiton of undertakings or do they have to be recognized as seperate assets (Sondervermögen) in the balance sheet independent from the percentage interest held by the undertaking? If the latter applies the consequence is that all investment funds listed as “investment funds” (and not as “participations”) in QRT BS-C1 and Assets-D1 shouldl be recognized. Moreover, for all funds in which the undertaking holds more than 20% of interest the look-through-approach should be provided.Remark: It is our view, that investment funds (including special funds) as seperate assets (Sondervermögen) do not meet the definition of undertakings, i.e. those funds should always be disclosed as “investment funds” and a look-through should be carried out in QRT Assets-D4.What is the procedure for funds where the insurance undertaking cannot look through (e.g. mutual funds)Again at this point, the idea expressed in template D4 should be pointed out for, that a standard procedure agreed by all associations and in analogy with the annex “funds” is considered appropriate in order to ensure a consistent filling.This question is also relevant and important for the new template D1Q, which contains a classification of funds based on the one given in template BS-C1. To that extent, specific questions on that issue for the template D1Q are not necessary | No. Investment funds are always reported in the “Investment funds” line. |
| 200. | KPMG | BS-C1- cell AS9A | As noted above, guidance is required on the treatment of funds and funds of funds for the purposes of the Solvency II balance sheet. | Please see comment n. 187 |
| 201. | Lloyd’s | BS-C1- cell AS9A | SinceAS9A is greyed out we have assumed that this is supposed to refer to A9A (same case with AS9B – AS9F below).Comment on this line also relates to all the other Investment funds lines i.e.AS9A – AS9F.Where look-through procedures on investment funds cannot be performed, for capital purposes, undertakings are allowed to either use their investment mandate or treat these as equity global or other. Can the same approach be adopted on the balance sheet and hence disclose the investment fund amount on A9A i.e. “including equities in investment funds”? We propose that where an undertaking cannot be able to obtain underlying class of investments through look-through procedures, breakdown of the investment funds required in the balance sheet should be done either by use of investment mandate or report this as equity (similar to what is done for SCR calculation). | Please see comment n. 196 |
| 202. | Association of British Insurers (ABI) | BS-C1- cell AS9B | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Please see comment n. 196 |
| 203. | CFO Forum & CRO Forum | BS-C1- cell AS9B | As above |  |
| 204. | Deloitte Touche Tohmatsu | BS-C1- cell AS9B | See comment on BS-C1- cell AS9A  |  |
| 205. | Association of British Insurers (ABI) | BS-C1- cell AS9C | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Please see comment n. 196 |
| 206. | CFO Forum & CRO Forum | BS-C1- cell AS9C | As above |  |
| 207. | Deloitte Touche Tohmatsu | BS-C1- cell AS9C | See comment on BS-C1- cell AS9A  |  |
| 208. | Association of British Insurers (ABI) | BS-C1- cell AS9D | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Please see comment n. 196 |
| 209. | CFO Forum & CRO Forum | BS-C1- cell AS9D | As above |  |
| 210. | Deloitte Touche Tohmatsu | BS-C1- cell AS9D | See comment on BS-C1- cell AS9A  |  |
| 211. | Association of British Insurers (ABI) | BS-C1- cell AS9E | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Please see comment n. . 196 |
| 212. | CFO Forum & CRO Forum | BS-C1- cell AS9E | As above |  |
| 213. | Deloitte Touche Tohmatsu | BS-C1- cell AS9E | See comment on BS-C1- cell AS9A  |  |
| 214. | Association of British Insurers (ABI) | BS-C1- cell AS9F | Same comment as for D4 (look through), data on underlying investments will be difficult to obtain, particularly where investment funds are managed outside the group. | Please see comment n. 196 |
| 215. | CEA | BS-C1- cell AS9F | Clarification would be helpful on whether ‘mixed funds’ would be reported here. | Following the definitions in CIC, the categorisation of funds should be based on the main underlying instrument of the fund. This breakdown will now be required for public disclosure purposes only. |
| 216. | CFO Forum & CRO Forum | BS-C1- cell AS9F | As above |  |
| 217. | Crédit Agricole Assurances | BS-C1- cell AS9F | Detail of the« look-through » of UCITS in Balance Sheet: How should we treat in Balance Sheet a “looked-through” UCITS according to the “other” method (treatment of UCITS as equity / no “look-through”)? In this case, the detail of the “look-through” by asset categories (A9A to A9E) would not be available.Should we use the line « Investment funds including other financial assets in invested funds » (A9F in Balance Sheet) to integrate the total amount of UCITS which is also in the Assets-D4 template? Otherwise, which classification method do you suggest? | Please see comment n. . 196 |
| 218. | Deloitte Touche Tohmatsu | BS-C1- cell AS9F | See comment on BS-C1- cell AS9A  |  |
| 219. | German Insurance Association (GDV) | BS-C1- cell AS9F | Clarification would be helpful on whether ‘mixed funds’ would be reported here. | Please see comment n. 215 |
| 220. | Federation of Finnish Financial Services | BS-C1- cell L10A | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted, but not agreed. |
| 221. | Federation of Finnish Financial Services | BS-C1- cell L11 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted, but not agreed. |
| 223. | Federation of Finnish Financial Services | BS-C1- cell L12 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 225. | RSA Insurance Group plc | BS-C1- cell L12 | Comment re cell LS14: the face of the template incorrectly refers to “AS14” in this cell.In addition, LS14 log only refers to local GAAP –it should be clarified that, where the statutory accounts are prepared under IFRS, this is a valid reference too. | In that case IFRS should be treated as local GAAP. |
| 226. | CEA | BS-C1- cell L13 | This comment applies to BS-C1-cells L13 to LS13.Further clarification required: Should this include all deposits with reinsurers i.e. not just cash?  Cash deposits from reinsurers: The amount of this balance item value might be of minor relevance for some undertakings.  | Yes.Noted. |
| 227. | German Insurance Association (GDV) | BS-C1- cell L13 | This comment applies to L13 – LS13.Further clarification required: Should this include all deposits with reinsurers i.e. not just cash?  Cash deposits from reinsurers: The amount of this balance item value might be of minor relevance for some undertakings.  | Please see comment n. . 227 |
| 228. | RSA Insurance Group plc | BS-C1- cell L15C | Please clarify where intercompany (i.e. same group) insurance receivables are to be placed: L15C or L25. | Depending on their character: L15C or L25. |
| 229. | CEA | BS-C1- cell L15D | This comment applies to BS-C1-cells L15D to LS15D.Regarding the Template BS-C1 cell L15D and the related LOG description, the following problem will result from this approach:In cases when the undertaking issues subordinated debt (which will be considered as equity), reporting only “subordinated liabilities not in BOF”, would result in the amount of the issue being significantly reduced by a deferred tax liability amount. The difference between the Solvency II balance sheet and the tax balance sheet must be considered in the calculation of the deferred taxes in general. This is the result of not being included in the line item “subordinated liabilities” and therefore the check of the equity requirements have to be fulfilled in the moment of building up the balance sheet. This mechanism could be avoided if the subordinated liabilities are shown in the line item “subordinated liabilities” in the first step. In a further step (after calculation of deferred taxes) these securities would be adjusted to the equity position.Calculating deferred taxes on subordinated liabilities which are treated as equity must be avoided and have to be clarified in the LOG. | To calculate deferred taxes each individual asset or liability (including subordinated debt), independent of the issues on which line it is presented in the template, should be compared with the corresponding item as it appears on the tax balance sheet/tax figures. As the valuation of deferred taxes is independent of the presentation in the templates, in this regard EIOPA sees no problems with the current presentation of subordinated debt. In principle, the differences should be considered. However, whether this would lead to a temporary difference, is a valuation question that might be considered further by EIOPA. |
| 230. | German Insurance Association (GDV) | BS-C1- cell L15D | This comment applies to L15D – LS15D.Regarding the Template BS-C1 cell L15D and the related LOG description, the following problem will result from this approach:In cases when the undertaking issues subordinated debt (which will be considered as equity), reporting only “subordinated liabilities not in BOF”, would result in the amount of the issue being significantly reduced by a deferred tax liability amount. The difference between the Solvency II balance sheet and the tax balance sheet must be considered in the calculation of the deferred taxes in general. This is the result of not being included in the line item subordinated liabilities primarily and therefore the check of the equity requirements have to be fulfilled in the moment of building up the balance sheet. This mechanism could be avoided if the subordinated liabilities will be shown in the line item subordinated liabilities in the first step. In a further step (after calculation of deferred taxes) this securities would be adjusted to the equity position.Calculating deferred taxes on subordinated liabilities which are treated as equity must be avoided and have to be clarified in the LOG. | Please see comment n. 229 |
| 231. | CEA | BS-C1- cell L16 | This comment applies to BS-C1-cells L16 to LS16.Further clarification required: We query whether structured notes should be categorised as derivatives, since there is no specific row for structured notes on the liability side?  | They should be presented in L20-LS20 ‘Financial liabilities other than debts owed to credit institutions’ |
| 232. | Danish Insurance Association | BS-C1- cell L16 | It should be specified whether derivatives attached to Unit-linked contracts with a negative value (from D2O) should be included in the A12-sum. Or if they are to be included in the liabilities in cell L16. | Please see comment n. 81 |
| 233. | German Insurance Association (GDV) | BS-C1- cell L16 | This comment applies to L16 – LS16.Further clarification required: We query whether structured notes should be categorised as derivatives, since there is no specific row for structured notes on the liability side?  | Please see comment n. 231 |
| 234. | RSA Insurance Group plc | BS-C1- cell L16 | The LOG definition does not match the that for A10A-AS10A. | Noted. |
| 235. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell L16 | All derivatives should be included not only those values corresponding to derivatives that are reducing value of investment’s portfolios | Derivative adding value to the portfolio are reported in A10A |
| 236. | AMICE | BS-C1- cell L17 | The LOG document should indicate that the Balance Sheet is providing a net position between deferred tax assets and deferred tax liabilities. | Please see comment n. 118 |
| 237. | Deloitte Touche Tohmatsu | BS-C1- cell L17 | Given the fact that deferred tax items can have a significant impact on the Solvency II result (loss absorbing adjustment), it can be considered useful including a separate detail on the source of the deferred tax items (deferred tax on temporary differences, deferred tax on carry forward tax losses, … ). Hereby in addition a split can be made between the gross amounts on which the deferred tax is calculated, deferred tax amounts. | This is not a presentation issue but valuation. More information will be in L2 and L3 on valuation. |
| 238. | German Insurance Association (GDV) | BS-C1- cell L18 | What is to be understood by “Deferred Income Reserve”? | Please note that this cell refers to “Provisions other than technical provisions” |
| 239. | CEA | BS-C1- cell L19 | This comment applies to BS-C1-cells L19 to LS19.We don’t understand why, on a frequent basis, it is important to split amounts due from credit institutions separately from non-credit institutions, or banks deposits due in less than one year separately from those that are greater than one year. This is not part of IFRS accounts and it is unclear what benefit this information would provide.  | Old comment. |
| 240. | Crédit Agricole Assurances | BS-C1- cell L19 | Where should creditor bank accounts be allocated (in relation to credit institutions)?Should they be classified in « Debts owed to credit institutions » (L19) or in « Payables (trade, not insurance)» (15C)?  | Rather L19. |
| 241. | German Insurance Association (GDV) | BS-C1- cell L19 | This comment applies to L19 – LS19.We don’t understand why, on a frequent basis, it is important to split amounts due from credit institutions separately from non-credit institutions, or banks deposits due in less than one year separately from those that are greater than one year. This is not part of IFRS accounts and it is unclear what benefit this information would provide.  | Noted. It is important information to understand the stability of assets and its future cash-flows. |
| 242. | The Phoenix Group | BS-C1- cell L19 | Is it necessary to split amounts due from credit institutions separately from non-credit institutions, or banks deposits due in less than one year separately from those that are greater than one year. We suggest that the basis should be the same as IFRS, cannot see any benefir in splitting out.  | Noted but not agreed. It is important information to understand the stability of assets and its future cash-flows. |
| 243. | Association of British Insurers (ABI) | BS-C1- cell L1A | This comment relates equally to L1, L4, L6B and L7 and the detail beneath these cells. We feel the level of detail required on the Balance Sheet is excessive and a Total Technical Provisions number would be sufficient. The level of detail by non-life/health etc and BE/Risk Margin for each is excessive as this information is available in the various TP forms. | Noted. The breakdown in TP templates is more detailed, and the breakdown required here is easily obtained from the totals reported in TP templates.  |
| 244. | CEA | BS-C1- cell L1A | This comment applies to BS-C1-cells L1A to L12.It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations.For comparison purposes, it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column. Also displaying gross technical provisions in the statutory accounts column would interfere with the financial statements: the sum accounting items would be not identical with the balance sheet sum reported for accounting purposes. This links to the general comment made that any publication of the Solvency II balance sheet should be without the column of statutory accounting figures.In addition, differences between the two columns for supervisory purposes should be presented as a narrative explanation as opposed to a full accounting reconciliation. | Please see comment n. 36Please see comment n. – it is stated there that TP should be presented gross (and CEA agrees with such approach)Please see comment n. . 1 |
| 245. | Federation of Finnish Financial Services | BS-C1- cell L1A | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 247. | German Insurance Association (GDV) | BS-C1- cell L1A | This comment applies to L1A – L12.This should consist of a simple aggregation exercise of more detailed underlying reporting templates. Further comments on the segmentation into life, non-life and health, which will be performed at a more granular level, can be found in the templates on Technical Provisions. It should be noted that a full calculation of technical provisions will be calculated once per year corresponding to the respective accounting year. Any requirements for more frequent presentation of this data should allow for the use of approximations.For comparison purposes, it would be misleading to display gross technical provisions in the Solvency II column and technical provisions net of reinsurance in the statutory account column. Also displaying gross technical provisions in the statutory accounts column would interfere with the financial statements: the sum accounting items would be not identical with the balance sheet sum reported for accounting purposes. This links to the general comment made that any publication of the Solvency II balance sheet should be without the column of statutory accounting figures.In addition, differences between the two columns for supervisory purposes should be presented as a narrative explanation as opposed to a full accounting reconciliation.Information on the BE and risk margin should be only reported to the Supervisor. Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted.Please see comment n. 36Please see comment n. – it is stated there that TP should be presented gross (and CEA agrees with such approach)Please see comment n. 1Noted.Noted. |
| 248. | Federation of Finnish Financial Services | BS-C1- cell L2 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 250. | Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA L | BS-C1- cell L20 | Generell comment ; Where should Repo Contracts be reported ? | Please see comment n. 251 |
| 251. | Crédit Agricole Assurances | BS-C1- cell L20 | Treatment of securities sold under repurchase agreements : could you precise the Solvency 2 treatement for this operation?Which elements should be classified in Balance Sheet / Off Balance Sheet?Elements classified in Balance Sheet should be allocated to the « Financial liabilities other than debts owed to credit institutions » (LS20) account or allocated to the « Payables (trade, not insurance)» (15C) account? | In Assets-D5 LOG it is stated that repos are in BS and securities lending in off-BS. Please see comment n. 250 |
| 252. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell L20 | A breakdown of the information from ‘financial liabilities other than debts owed to credit institutions’ (L20) into loans and bonds (securities) is needed. In addition, information on the residency and sector counterpart of the institutions (other than credit institutions) granting loans is required.  | Noted |
| 253. | Association of British Insurers (ABI) | BS-C1- cell L22 | This information is currently only available on an annual basis. Approximations may be possible at an additional cost but we would propose that pension obligations are only required to be updated annually. | Please see comment n. 254 |
| 254. | CEA | BS-C1- cell L22 | This comment applies to BS-C1-cells L22 to LS22.Approximations should be allowed in order to calculate the Solvency II value for pension benefit obligations. A respective guideline should be included in the general reporting requirements. | Information on valuation will be in L2 and L3 on valuation.  |
| 256. | German Insurance Association (GDV) | BS-C1- cell L22 | This comment applies to L22 – LS22.Approximations should be allowed in order to calculate the Solvency II value for pension benefit obligations. A respective guideline should be included in the general reporting requirements. | Please see comment n. 254 |
| 257. | NFU Mutual | BS-C1- cell L22 | Pension benefit obligations are only normally calculated annually. We assume either that the latest full review (annual) will suffice, or that estimation can be used on a quarterly basis. | Please see comment n. 254 |
| 258. | Association of British Insurers (ABI) | BS-C1- cell L23 | We do not agree with the recognition of contingent liabilities in the Solvency II balance sheet, unless recognised for accounting purposes. If contingent liabilities have not been accounted for under IAS37 it is because it is not clear that they actually are liabilities at a balance sheet date. Also, in many instances they would be very difficult to value with any degree of robustness and the value assigned would be very subjective. Narrative disclosure of these would be more appropriate. But we caution against requiring public disclosure of a full range of outcomes given the high level of uncertainty inherent in these contingencies. | Please see comment n. 259 |
| 259. | CEA | BS-C1- cell L23 | Many contingent liabilities are treated for accounting purposes as off-balance sheet because it is not clear that if they are liabilities at a balance sheet date. These should only be valued as liabilities in the context of the sale of a business as a whole. Other contingent liabilities may have very low probabilities of a future outflow of funds and so would be likely to be immaterial, and many (particularly, as the IASB has acknowledged in its project to revise IAS 37, those with binary outcomes) would be difficult to value with the required degree of robustness – particularly as a risk adjustment is also to be made, for which no guidance is given. Lastly, this requirement may generally be too onerous to satisfy a cost-benefit test for Solvency II purposes.Therefore we believe that contingent liabilities should not be recognised in the Solvency II-balance sheet. But they should nevertheless be reported on a consistent basis. | More information will be in L2 and in L3 on valuation.Please see comment n. 36 |
| 261. | German Insurance Association (GDV) | BS-C1- cell L23 | Many contingent liabilities are treated for accounting purposes as off-balance sheet because it is not clear that they actually are liabilities at a balance sheet date. These should only be valued as liabilities in the context of the sale of a business as a whole. Other contingent liabilities may have very low probabilities of a future outflow of funds and so would be likely to be immaterial, and many (particularly, as the IASB has acknowledged in its project to revise IAS 37, those with binary outcomes) would be difficult to value with the required degree of robustness – particularly as a risk adjustment is also to be made, for which no guidance is given. Lastly, this requirement may generally be too onerous to satisfy a cost-benefit test for Solvency II purposes.Therefore we believe that contingent liabilities should not be recognised in the Solvency II-balance sheet. But they should nevertheless be reported on a consistent basis. | Please see comment n. 259 |
| 262. | NFU Mutual | BS-C1- cell L23 | The majority of contingent liabilities are treated for accounting purposes as off-balance sheet because it is not clear that they actually are liabilities at the balance sheet date under local GAAP. Other contingent liabilities may have very low probability of a future outflow of funds and so are likely to be immaterial. For those with binary outcomes, the Solvency II approach is one which has already been expressly removed from local GAAP since it is unrepresentative of any possible real-world outcome.  | Please see comment n. 259 |
| 263. | Royal London Group | BS-C1- cell L23 | Contingent liabilities should NOT be included on the balance sheet. They could be disclosed separately.By their nature contingent liabilities are uncertain either in respect of the amount payable, whether or not an amount is actually payable or both. It is doubtful that a sufficiantly robust value can be put on these ‘liabilities’. | Please see comment n. 259 |
| 264. | RSA Insurance Group plc | BS-C1- cell L23 | Whilst we recognise the inclusion of material contingent liabilities in the SII balance sheet is required by the Level 2 text, clarification is needed in the situation where one party to a particular transaction recognises a contingent liability, but the counterparty does not recognise a corresponding contingent asset. For instance, in the case of intra-group dividends, no recognition is made under IFRS whilst merely proposed, meaning such balances are likely to be included as contingent liabilities under SII. The intra-group counterparty, however, will not be able to recognise any related contingent asset. Upon consolidation, such intra-group transactions are eliminated, meaning group own funds would be larger than the sum of individual undertakings’ own funds, with a significant portion that are not transferable or fungible.  | The recognition should be made by the undertaking, following SII rules, regardless of the recognition by the counterparty.  |
| 265. | The Phoenix Group | BS-C1- cell L23 | Many contingent liabilities are treated for accounting purposes as off-balance sheet because it is not clear that they actually are liabilities at a balance sheet date. These should only be valued as liabilities in the context of the sale of a business as a whole. Treatment under Solvency II should be consistent with IFRS. | Please see comment n. 259 |
| 266. | CEA | BS-C1- cell L25 | In the absence of any further guidance it is assumed that this category will include all other liabilities not picked up elsewhere e.g. creditors arising out of direct insurance operations, preference shares, accruals and deferred income. Guidance needs to be made more explicit as to what can be included here. More definitions on the different items would be helpful to allow more accurate matching of the different balance sheet items.  | IFRS recognition criteria should be used and SII valuation principles, see above on accruals (Please see comment n. 112) |
| 267. | German Insurance Association (GDV) | BS-C1- cell L25 | In the absence of any further guidance it is assumed that this category will include all other liabilities not picked up elsewhere e.g. creditors arising out of direct insurance operations, preference shares, accruals and deferred income. Guidance needs to be made more explicit as to what can be included here. More definitions on the different items would be helpful to allow more accurate matching of the different balance sheet items.  | Please see comment n. 267 |
| 268. | RSA Insurance Group plc | BS-C1- cell L25 | Please clarify where intercompany (i.e. same group) insurance receivables are to be placed: L15C or L25. | Please see comment n. 228 |
| 269. | AMICE | BS-C1- cell L26 | The amount of subordinated liabilities that can be computed as basic own funds should not be reported as liabilities but as an own fund element. | They are also presented in OF template (A13 in OF-B1). LOG was corrected. |
| 270. | Association of British Insurers (ABI) | BS-C1- cell L26 | Clarity is required in relation to what is required here as if the item is by definition “in BOF” why would it be disclosed also under liabilities?The Log states that this cell should be equal to A10 on OF-B1. There does not seem to be a cell A10 on this form? Should it be A13? | Please see comment n. 269 |
| 271. | CEA | BS-C1- cell L26 | As per the definition, “subordinated liabilities in BOF”, this item is part of BOF and as such should not be viewed as a standalone item. Any comparisons can be performed against template OF-B1 and we do not see the benefit of including it as part of the balance sheet.  | They are splited for presentation purposes and to enable comparison with OF template. |
| 272. | Deloitte Touche Tohmatsu | BS-C1- cell L26 | We consider it useful in providing specific guidance in the LOG-file with respect to the Solvency II value of subordinated liabilities.  | Valuation rules will be provided in L2 and L3 on valuation. |
| 274. | German Insurance Association (GDV) | BS-C1- cell L26 | As per the definition, “subordinated liabilities in BOF”, this item is part of BOF and as such should not be viewed as a standalone item. Any comparisons can be performed against template OF-B1 and we do not see the benefit of including it as part of the balance sheet.  | Please see comment n. 271 |
| 275. | Royal London Group | BS-C1- cell L26 | The Log states that this cell should be equal to A10 on OF-B1. There does not seem to be a cell A10 on this form ? Should it be A13? | Agree. LOG corrected. |
| 276. | RSA Insurance Group plc | BS-C1- cell L26 | The reference to form OF-B1 not been updated to reflect the latest version of the form: it currently refers to Group ‘Non available preference shares.’ It should reference instead to cell A13. | Please see comment n. 275 |
| 277. | The Phoenix Group | BS-C1- cell L26 | As a general comment on the format of the presentation of Own Funds on the Balance Sheet, we feel that the previous version of the QRT was clearer. | Noted. |
| 278. | Federation of Finnish Financial Services | BS-C1- cell L3 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 280. | Crédit Agricole Assurances | BS-C1- cell L4A | In the Non-Life Technical Provisions TP-E1 template, the difference between Non-Life and Health similar to Non-Life is no longer required, in opposition to the TP-F1 template for Life Technical Provisions, and contrary to the distribution in the Balance Sheet Template « Technical provisions - health (similar to non-life) » (L4). Should not be relevant to have a homogeneous allocation of Technical Provisions in the different templates? | Please note that in the LOG it is indication which LoBs should be taken into account for health similar to non-life and those for health similar to life. |
| 281. | Federation of Finnish Financial Services | BS-C1- cell L4A | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 282. | Federation of Finnish Financial Services | BS-C1- cell L5 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 284. | Federation of Finnish Financial Services | BS-C1- cell L6 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 286. | Federation of Finnish Financial Services | BS-C1- cell L6C | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 288. | Federation of Finnish Financial Services | BS-C1- cell L6D | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 290. | Federation of Finnish Financial Services | BS-C1- cell L6E | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 292. | Federation of Finnish Financial Services | BS-C1- cell L7A | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 294. | Federation of Finnish Financial Services | BS-C1- cell L8 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 296. | Federation of Finnish Financial Services | BS-C1- cell L9 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 298. | Federation of Finnish Financial Services | BS-C1- cell LS1 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 299. | German Insurance Association (GDV) | BS-C1- cell LS1 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 300. | Federation of Finnish Financial Services | BS-C1- cell LS10 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 301. | The Directorate General Statistics (DG-S) of the E | BS-C1- cell LS19 | Information on the residency of the credit institutions is desirable, in particular for those resident in the euro area  | Noted |
| 302. | CEA | BS-C1- cell LS22 |  |  |
| 303. | German Insurance Association (GDV) | BS-C1- cell LS22 |  |  |
| 304. | RSA Insurance Group plc | BS-C1- cell LS25 | The L25A definition on the face of the template appears to include sub-totals (as does that for A30 total) – we presume this is an error.The LOG definition for L27 should have “comprising” instead of (misspelled) “complementing”. | Noted.Noted. |
| 305. | Federation of Finnish Financial Services | BS-C1- cell LS4 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 306. | Federation of Finnish Financial Services | BS-C1- cell LS6B | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted |
| 308. | Federation of Finnish Financial Services | BS-C1- cell LS7 | Technical Provisions should not be divided between life, non-life and health – too many details will decrease the overview of the Balance sheet. | Noted. |
| 310. | The Directorate General Statistics (DG-S) of the E | BS-C1B – Benefits | Please refer to BS-C1 - Benefits |  |
| 311. | Association of British Insurers (ABI) | BS-C1B – Costs | High, unless appropriate materiality limits are applied (current assumption is only include items included in statutory accounts) | Noted |
| 312. | CEA | BS-C1B – Costs | Please refer to BS-C1-Costs, for general comments.EIOPA acknowledge that it is unlikely the information requested in this template will be held by undertakings at present in this current form. Costs in establishing new reporting systems will be large.  | Noted. |
| 313. | CFO Forum & CRO Forum | BS-C1B – Costs | Expected to be high (note general comment above).  | Noted. |
| 314. | German Insurance Association (GDV) | BS-C1B – Costs | Please refer to BS-C1 – Costs for general comments.EIOPA acknowledge that it is unlikely the information requested in this template will be held by undertakings at present in this current form. Costs in establishing new reporting systems will be large.  | Noted |
| 315. | RSA Insurance Group plc | BS-C1B – Costs | The summary document admits here that some of the data might not exist in the requested format – in other words, firms are indeed monitoring such items, but not using data as demanded here. The costs to be incurred – especially on a quarterly basis – are therefore likely to be onerous, so these proposals need to be reconsidered. A much more acceptable alternative would be for supervisors to request the information from undertakings they require as and when necessary – this would mean the undertakings would be able to provide such information in the formats already available, thereby reducing time and effort. | Noted |
| 316. | A.M. Best Europe - Rating Services Ltd | BS-C1B – Disclosure | We consider it important to have some public disclosure on off-balance sheet exposures which can be a significant source of risk. This information needs to be available to stakeholders to complement information given in BS-C1. | Noted |
| 317. | Association of British Insurers (ABI) | BS-C1B – Disclosure | We welcome that this is no longer a publicly disclosed document however we challenge whether it is necessary to have a 3 year review clause. | Please see comment n. 318 |
| 318. | RSA Insurance Group plc | BS-C1B – Disclosure | We support the idea that public disclosure of this form should not happen, given the sensitive nature of some of the items contained herein (name of providers/receivers of guarantees).We do have some concerns about the nature of the proposed review. The timing of the proposed review is unclear: it could be 3 years after implementation, or 3 years from consulation. It is not clear who will be making the decisions in this review: EIOPA or national supervisors. It is not clear what factors are to be considered. The scope of public disclosure needs to be clarified, taking into account the sensitivites referred to above. Although such a review is mooted for three years hence, these questions must be answered now if such a review is already being proposed. |  |
| 319. | Association of British Insurers (ABI) | BS-C1B – Frequency | It is welcome that this is no longer quarterly, as collection of data will be a highly manual exercise | Noted |
| 320. | CFO Forum & CRO Forum | BS-C1B – Frequency | It is welcome that this is no longer quarterly, as collection of data will be a highly manual exercise | Noted |
| 321. | RSA Insurance Group plc | BS-C1B – Frequency | See “Costs” above. |  |
| 322. | The Directorate General Statistics (DG-S) of the E | BS-C1B – Frequency | If no volatility is expected annual frequency could be acceptable. | Noted |
| 323. | AMICE | BS-C1B – General  | We welcome the EIOPA decision not to request a list of the off-balance sheet items every quarter. However, we reiterate our concerns regarding the demand for a specification of collateral pledged and held, respectively, on whether it originated from loans made, derivative contracts, etc. In addition, collateral held or pledged by undertakings is often made under one agreement which encompass all types of transactions (loans, derivatives) transacted with a counterparty which render a specification meaningless/impossible to make.More guidance should be provided regarding the scope of this template; Members would like to see an indicative list of potential assets that would fall under the scope of this template.Furthermore, the name of this template is misleading as it covers contingent liabilities that are not included in those valued in the Solvency II Balance Sheet. | EIOPA considers this gives information on the risk undertaking may be exposed to, resulting for Off-BS operations.As far as it is possible all values from the agreement should be taken account, and allocated to the specific items in this template.Noted |
| 324. | Association of British Insurers (ABI) | BS-C1B – General  | It is welcome that this is no longer a publicly disclosed document, however valuation of off-balances sheet items will still be difficult and time consuming. More detailed rules and guidance here would be welcome. | Valued according Sll valuation rules. |
| 325. | CEA | BS-C1B – General  | This template contains information that is quite difficult to obtain in an automated way; off-balance sheet items in general remain unclear. Since financial guarantees as well as collateral pledged are of minor relevance to many undertakings, this would mean substantial effort for circumstantial information. “Guarantees received” is taken into account when assets are valued therefore we do not fully understand the rational for including this information in BS-C1B. Also, we see no need to split collateral pledged and collateral held, dependent on whether it originated from loans made/received and derivative contracts. In some countries, collateral held or pledged are often made under one agreement which encompasses all types of transactions (loans, derivatives) transacted with a counterparty which render a specification meaningless/impossible to make.More detailed descriptions or explanations of the input data is required to avoid confusion and incorrect entries, for example we query whether it is necessary to report information on collateral used to back real estate loans in this template. Also, the LOG explanation of “Maximum value of guarantee received” and “Value of guaranteed liabilities” would benefit from more detail.  | EIOPA considers this gives information on the risk undertaking may be exposed to, resulting for Off-BS operations.Please see also comment 323.Collaterals related with loans made/received should be presented in this templateNoted |
| 326. | CFO Forum & CRO Forum | BS-C1B – General  | It is welcomed that this is no longer a publicly disclosed document, however we oppose the level of granularity which will be greater than what management requires to run the business and which will make it difficult and time-consuming to produce. | Noted |
| 327. | Deloitte Touche Tohmatsu | BS-C1B – General  | In order to obtain more detailed information it would be useful to list the different guarantees received (if exceeding a certain threshold). | Noted |
| 328. | German Insurance Association (GDV) | BS-C1B – General  | This template contains information that is quite difficult to obtain in an automated way; off-balance sheet items in general remain unclear. Since financial guarantees as well as collateral pledged is of minor relevance to many undertakings, this would mean substantial effort for circumstantial information. “Guarantees received” is taken into account when assets are valued therefore we do not fully understand the rational for including this information in BS-C1B. Also, we see no need to split collateral pledged and collateral held, dependent on whether it originated from loans made/received and derivative contracts. In some countries, collateral held or pledged are often made under one agreement which encompasses all types of transactions (loans, derivatives) transacted with a counterparty which render a specification meaningless/impossible to make.More detailed descriptions or explanations of the input data is required to avoid confusion and incorrect entries, for example we query whether it is necessary to report information on collateral used to back real estate loans in this template. Also, the LOG explanation of “Maximum value of guarantee received” and “Value of guaranteed liabilities” would benefit from more detail. Further clarification required Have there already been considerations how to address the issue of German Pharmapools or the German Nuclear Insurance pools? Should they be considered as contingent liabilities which need to be disclosed as “unlimited guarantees” without having any valuation carried out?The valuation and calculation of a “maximum value” for the Pharmapool and the Nuclear Insurance pool poses a certain challenge. In our view, these contingent liabilities should be considered as “unlimited”. Thus, they should be disclosed without carrying out a valuation.If this not the case, a harmonized procedure of the undertaking should be aimed at. Else the information disclosed by the undertakings are of limited value for the BaFin. Have there been any discussions or provisions concerning valuation? Are there any additional comments what kind of information to disclose under the items listed in QRT BS-C1B? The English term “guarantee” provides a broad definiton. Thus, the distinction of the reporting requirement remains unclear. Are there any examples or is there an exhaustive list that helps to understand what needs to be disclosed under the item “guarantees received”? It is unclear what is meant by the term “guarantees”.- Does the term include letters of intent (Patronatserklärungen)?- Does the term include rent deposits?- How to treat guarantees for property projects currently under construction?- How to treat rent guarantees or letters of intent (if included), in particular in view of contracts nearing expiration? Many contingent liabilities cannot be quantified. Are there any considerations or discussions how to quantify contingent liabilities for related undertakings at a reasonable cost in order to fulfill the Solvency II requirements? It is unclear, how to differentiate between on-balance sheet and off-balance sheet contigent liabilities. Are there any specific considerations in this regard? For example, are there any ideas how to interpret the reference to the principle of materiality when considering contingent liabilities? We have the view that in QRT BS-C1B only those issues have to be disclosed which are not disclosed somewhere else in the balance sheet. In particular, only off-balance sheet collaterals should be disclosed The only exceptions constitute A19 and B19 (contigent liabilities in SII BS). This would mean that on-balance sheet deposit claims would not have be disclosed. Does the BaFin share this view? Where to disclose mortgages for mortgage loans? Securities account agreement (Securities account is on the balance sheet of the reinsurer, but right of disposal on the part of the primary insurer). Should this item be disclosed under the item “Assets pledged to cedants for technical provisions”?  We assume that a complete stochastic process is not necessary to value “guarantees”. Instead, simplified valuation methods may be used. Are there any specific considerations or provisions how to proceed when valuing “guarantees”? In the LOG-file attached to the QRT the following wording can be found under General Comments: “Have an overview of off-balance sheet items, which could impact the financial position of the undertaking, if realized”. In our view, the item “collateral held and collateral pledged” may also include on-balance sheet items. Is our assessment correct? | Please see comment n. 325Please see comment n. 347Please see comment n. 325The reporting of these specific items should follow valuation rules. Those are prescribed under L3 valuation guidelines. If no maximum value is defined under contractual arrangements, and if the undertaking cannot calculate it, then no value should be reported.Noted. It is not possible to provide complete lists of items considered as guarantees.Undertakings should classify the items in this template using they own judgment and following Solvency II principles.EIOPA plans to have a Question & Answers process to help dealing with specific issues on reporting. According SII valuation rulesIn cell A10.YesYes |
| 329. | NFU Mutual | BS-C1B – General  | The removal of the quarterly requirement for reporting is welcomed. | Noted. |
| 331. | RSA Insurance Group plc | BS-C1B – General  | In the situation where an entity has a non-insurance subsidiary which is party to a guarantee that would affect its parent, it needs to be clarified that this disclosure need be made only in a consolidated return by the ultimate group parent. | Please see comment n. 336 |
| 333. | The Directorate General Statistics (DG-S) of the E | BS-C1B – General  | Please refer to BS-C1 – General |  |
| 334. | The Phoenix Group | BS-C1B – General  | Collateral held / pledged – Under IFRS, collateral is not necessarily off Balance Sheet. The accounting treatment depends on rights of the entity over assets accepted / pledged. Is the treatment of collateral received / pledged under Solvency II consistent with IFRS? If yes, does BS-C1B only require off-Balance sheet collateral, or all collateral? | Contingent liabilities on S2 are of wider scope than current IFRS definitionAll collateral |
| 335. | XL Group plc | BS-C1B – General  | This template appears to request information on guarantees and collateral that is also requested in templates “RC” and “Assets D6”. Duplication should be avoided. | Noted |
| 336. | CEA | BS-C1B – Groups | In the situation where an entity has a non-insurance subsidiary which is party to a guarantee that would affect its parent, we presume that this would not be reported by the parent but only in a consolidated report of the ultimate group parent.Double counting must be prevented and therefore intra-group guarantees should not be reported in the group template (cells A3A and A9A). The group template should reflect situation after elimination of IGT.  | It should also be reported by the solo entity, regarding the part that affects the solo undertaking.Agree, at group level all IGT’s should be eliminated. |
| 337. | German Insurance Association (GDV) | BS-C1B – Groups | In the situation where an entity has a non-insurance subsidiary which is party to a guarantee that would affect its parent, we presume that this would not be reported by the parent but only in a consolidated report of the ultimate group parent.Double counting must be prevented and therefore intra-group guarantees should not be reported in the group template (cells A3A and A9A). The group template should reflect situation after elimination of IGT.  | Please see comment n. 336 |
| 338. | The Directorate General Statistics (DG-S) of the E | BS-C1B – Groups | Please refer to BS-C1 - Groups |  |
| 339. | Association of British Insurers (ABI) | BS-C1B – Materiality | It is our opinion that some of these items do not add much value to regular reporting and should only be reported when there are very significant balances that exceed a certain threshold. | All of them should be known by the supervisor. To assess risk exposure supervisor needs all of them.  |
| 340. | CEA | BS-C1B – Materiality | It is our opinion that some of these items do not add much value to regular reporting and should only be reported when there are large differences, or a certain threshold in comparison to the reporting of contingent liabilities is exceeded. Please refer to BS-C1-cell L23 for comments on reporting of contingent liabilities. | Please see comment n. 339. |
| 341. | Deloitte Touche Tohmatsu | BS-C1B – Materiality | We recommend including a materiality threshold in the off balance sheet reporting in order to limit the reporting to relevant items. | Please see comment n. 339. |
| 343. | German Insurance Association (GDV) | BS-C1B – Materiality | It is our opinion that some of these items do not add much value to regular reporting and should only be reported when there are large different or exceeds a certain threshold compared to the reporting of contingent liabilities.  | Please see comment n. 339. |
| 344. | RSA Insurance Group plc | BS-C1B – Materiality | We believe a level of materiality/proportionality should be employed, otherwise a number of very small items would have to be included and would make the form unduly detailed. | Please see comment n. 339. |
| 345. | Groupe Consultatif | BS-C1B – Purpose | Could the stated purpose of « giving an overall overview of off-balance items, which could impact the financial position of the undertaking » be achieved equally well by the ORSA? E.g. List of triggering events – possibly not appropriate for a Quantitative Reporting template, more appropriate for the ORSA? | The information is needed in same format from all companies to get the understanding of all off- balance sheet items in industry.The purpose of Solvency II reporting is different from ORSA reporting. With the Solvency II reporting supervisors are requiring information that will allow the understanding of the solvency position of the undertaking, while the ORSA will provide the supervisor with the self assessment made by the undertaking. |
| 346. | The Directorate General Statistics (DG-S) of the E | BS-C1B – Purpose | Please refer to BS-C1 – Purpose |  |
| 347. | CEA | BS-C1B- cell A10 | This comment applies to A10 – B10.Further clarification required: Should mortgage loans be reported here? We understand that this position is the market value of the loan made or bond purchased, for which the collateral is received. Clarification in the LOG would be helpful. | Yes and the collateral related.As it is stated – it is the Solvency II value, so valued according to Solvency II |
| 348. | German Insurance Association (GDV) | BS-C1B- cell A10 | This comment applies to A10 – B10.Further clarification required: Should mortgage loans be reported here? We understand that this position is the market value of the loan made or bond purchased, for which the collateral is received. Clarification in the LOG would be helpful. | Please see comment n. 347 |
| 349. | NFU Mutual | BS-C1B- cell A10 | Technically, any charge given over property will constitute collateral, and this will include mortgages. Mortgaged property, particularly for personal, domestic mortgages, is not regularly revalued on a one-for-one basis. If this collateral is to be included, is it acceptable to apply an estimation of the level of cover of the collateral held when compared to the actual debts outstanding ? | Valued according to Solvency II. Further explanation will be included in the L3 guidelines on valuation. |
| 350. | CEA | BS-C1B- cell A12A | This comment applies to BS-C1B-cells A12A to B12A.Further clarification required: We understand that this position is the market value of the derivative, for which the collateral is received. Clarification in the LOG would be helpful. | Please see comment n. 347 |
| 351. | German Insurance Association (GDV) | BS-C1B- cell A12A | This comment applies to A12A – B12A.Further clarification required: We understand that this position is the market value of the derivative, for which the collateral is received. Clarification in the LOG would be helpful. | Please see comment n. 347 |
| 352. | Association of British Insurers (ABI) | BS-C1B- cell A13 | Does this cell refer to funds withheld/deposit backs held by cedants? If so they are recognised as an asset on the Balance Sheet (BS-C1, cell A13) so why do they appear here on the Off Balance Sheet template? | Please see comment n. 353 |
| 353. | CEA | BS-C1B- cell A13 | This comment applies to BS-C1B-cells A13 to B13.In some countries, life insurers receive cash deposits for ceded technical provisions which they invest themselves and which are not separated from their other investments that cover their technical provisions. The reinsurer receives a contractually fixed rate of return on the cash deposits. We query how the above mentioned position should be reported? It is our understanding that this position is the market value of the ceded technical provision, for which the collateral is received. Clarification on this point would be helpful.  | Are on BS (see line L13 on BS-C1), so not included here.Should be mentioned here only assets pledged by reinsurer that are not held by cedant.  |
| 355. | German Insurance Association (GDV) | BS-C1B- cell A13 | This comment applies to A13 – B13.In some countries, life insurers receive cash deposits for ceded technical provisions which they invest themselves and which are not separated from their other investments that cover their technical provisions. The reinsurer receives a contractually fixed rate of return on the cash deposits. We query how the above mentioned position should be reported? It is our understanding that this position is the market value of the ceded technical provision, for which the collateral is received. Clarification on this point would be helpful.  | Please see comment n. 353  |
| 356. | CEA | BS-C1B- cell A13A | This comment applies to BS-C1B-cells A13A to B13A.We understand that this position is the market value of the loan received and the bond issued, for which the collateral is given. Clarification in the LOG would be helpful. | Please see comment n. 347. |
| 357. | German Insurance Association (GDV) | BS-C1B- cell A13A | This comment applies to A13A – B13A.We understand that this position is the market value of the loan received and the bond issued, for which the collateral is given. Clarification in the LOG would be helpful. | Please see comment n. 347 |
| 358. | CEA | BS-C1B- cell A14 | This comment applies to BS-C1B-cells A14 to B17A.Further clarification required: In the case of quarterly reporting, should the collateral held, be valued at fair value every quarter? For example, revaluation of the FV of property pledge for a mortgage loan?  The revaluation of property pledged, if any, does not seem practical on a quarterly basis. Additional guidance would be helpful.  | Please note that no quarterly reporting is envisaged for this template. |
| 359. | German Insurance Association (GDV) | BS-C1B- cell A14 | This comment applies to A14 – B17A.Further clarification required: Should the collateral held be valued at fair value every quarter? For example, revaluation of the FV of property pledge for a mortgage loan every quarter?  The revaluation of property pledged, if any, does not seem practical on a quarterly basis. Additional guidance would be helpful.  | Please see comment n. 358 |
| 360. | German Insurance Association (GDV) | BS-C1B- cell A17 | What is to be disclosed under the items “Assets pledged by reinsurers for ceded technical provisions” and “Assets pledged to cedants for technical provisions (reinsurance accepted)”? | SII value of asset pledged, in the first case, of the assets that are pledged by the reinsurer when such agreement exists, under the ceded reinsurance treaty. In the second case it refers to the assets pledged by the reporting undertaking, when it is prescribed under the accepted reinsurance agreement / treaty. |
|   | Association of British Insurers (ABI) | BS-C1B- cell A18 | Clarity required in the guidance to define Contingent liabilities not in the SII Balance Sheet as BS-C1 cell L23 defines contingent liabilities as those that are off BS in IFRS but can still be valued. This would capture all Contingent Liabilities to which a value can be assigned. What would therefore appear on C1B? | Please see comment n. 362 |
|  362. | CEA | BS-C1B- cell A18 | Please refer to BS-C1- cell L23 for comments on reporting of contingent liabilities. This comment applies to A18 – B19. | Contingent liabilities should be recognized as liability, but not all. Valuation rules will be in L2 and L3 on valuation. |
| 364. | German Insurance Association (GDV) | BS-C1B- cell A18 | This comment applies to A18 – B19.A decision should be made as to whether contingent liabilities should be reported in the balance sheet or as an off-balance sheet item. Otherwise the value in the corresponding cell will always be nil. Contingent liabilities should only be reported once.What kind of materiality threshold holds for the recognition of “contingent liabilities” in the SII BS? | Please see comment n. 362 |
| 365. | PwC | BS-C1B- cell A18 | In some cases it may not be possible to quantify the maximum possible value of a contingent liability or that value may be misleading because its probability is extremely remote. By nature those contingent liabilities that are not valued on the SII balance sheet do not lend themselves to quantitative reporting and may more appropriately be dealt with through narrative reporting.It should be clarified that where contingent liabilities have been excluded from the Solvency II balance sheet because they are not material in accordance with the guidance on determination of materiality of contingent liabilities, they should not be required to be shown here. | Please see comment n. 362 |
| 366. | RSA Insurance Group plc | BS-C1B- cell A18 | We do not understand how this could be anything other than zero, given Article V4 of the draft implementing measures: if a valuation can be arrived at, it would be in BS-C1; otherwise either the contingency is considered too immaterial to value or it cannot be valued at all (giving a nil value in either case).In any case, the LOG requests the “maximum possible value” – such worst-case scenario numbers would result in some very outlandish numbers which would be very far away from what is actually likely. We believe that reporting the probability of such maximum values actually crystallising (where possible) is required to provide some context. | Please see comment n. 362 |
| 367. | The Phoenix Group | BS-C1B- cell A18 | For contingent liabilities, a ‘probability’ field should be included, or else contingent liabilities should not be disclosed here. The current format could be confusing to the casual reader. | Information about methods and assumptions should be given in narrative reporting. |
| 368. | XL Group plc | BS-C1B- cell A18 | Contingent liabilities should not be disclosed if the chances of loss are remote. This is not felt to be relevant information given the low likelihood of material loss. Disclosing all contingencies irrespective of their probability in a public document could confuse users, especially when comparing to the US GAAP Financial Statements. | Please see comment n. 362 |
| 369. | German Insurance Association (GDV) | BS-C1B- cell A19 | What kind of materiality threshold holds for the recognition of “contingent liabilities” in the SII BS? | Please see comment n. 362 |
| 370. | The Phoenix Group | BS-C1B- cell A19 | Why are we reporting on-Balance Sheet items on the Off-Balance Sheet QRT? Again this appears confusing to the casual reader. | Noted |
| 371. | CEA | BS-C1B- cell A2 | This comment applies to BS-C1B-cells A2 to A3A.Further clarification required: Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? With mortgages, it is the building that represents a guarantee for the loan made. Are mortgages to be included? An evaluation of costs and efforts cannot be made without this information.  We question whether this is in fact a business line of insurance.  | If it is possible to have the figure of the maximum value, it should be presented in A3A, when it is stated that the guarantee is unlimited then it should be presented in the list of unlimited guarantees.It would rather be in A13A-B13A.Not clear. |
| 372. | German Insurance Association (GDV) | BS-C1B- cell A2 | This comment applies to A2 – A3A.Further clarification required: Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? With mortgages, it is the building that represents a guarantee for the loan made. Are mortgages to be included? An evaluation of costs and efforts cannot be made without this information. We question whether this is in fact a business line of insurance.  | Please see comment n. 371 |
| 373. | KPMG | BS-C1B- cell A2 | It is unclear whether this cell should include or exclude the items included in A3B |  |
| 374. | PwC | BS-C1B- cell A2 | Financial guarantees received may meet the definition of financial assets It is unclear that quantitative disclosure of the value of guarantees received is in itself meaningful information. To assess the potential impact of any guarantee it would be necessary to understand whether the guarantee applies to all or a subset of the insurers’ liabilities, the circumstance in which it will be triggered and the credit standing of the guarantor. Such information may be more appropriately dealt with via narrative reporting.It should be clarified whether guarantees should be included if a value has been placed on them in the Solvency II balance sheet. | NotedIf it is presented in BS then should not be treated as off-BS item. |
| 375. | RSA Insurance Group plc | BS-C1B- cell A2 | It needs to be clarified whether the maximum value of guarantee to be placed here excludes any unlimited guarantees listed in A3C – currently it is not clear. If not, then the value to be entered in A2 will always be “unlimited”. | Please see comment n. 371 |
| 376. | RSA Insurance Group plc | BS-C1B- cell A3A | ‘Entities of the same group’ needs to be defined: whether this means all entities as per form G01 (including participations that are not subsidiaries), entities in the smaller sub-group, or the wider group, all associated undertakings and related parties. Same question applies to A9A. | Undertaking should have appropriate information in this regard, so all entities (as per G01) should be covered. |
| 377. | CEA | BS-C1B- cell A3B | This comment applies to BS-C1B-cells A3B to B3B.Further clarification required: Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? Should covered bonds be reported here? | Please see comment n. 371.They are covered by CIC table as Government bond, so should be in BS-C1. |
| 378. | German Insurance Association (GDV) | BS-C1B- cell A3B | This comment applies to A3B – B3B.Further clarification required: Should the maximum value of guarantees exclude any unlimited guarantees listed in A3C? Should covered bonds be reported here? | Please see comment n. 371.Please see comment n. 377. |
| 379. | German Insurance Association (GDV) | BS-C1B- cell A3C | This comment applies to A3C – C3C.Data on unlimited guarantees is competitor sensitive information, disclosing this information could give a misleading picture of relationships with guarantors. It should not be subject to public disclosure. | Please note that there is no requirement for public discloser of this template. |
| 380. | RSA Insurance Group plc | BS-C1B- cell A9A | See A3A. |  |
| 381. | The Phoenix Group | BS-C1B- cell B19 | Why are we reporting on-Balance Sheet items on the Off-Balance Sheet QRT? Again this appears confusing to the casual reader. | Noted. Please see comment 379. |
| 382. | German Insurance Association (GDV) | BS-C1B- cell B9B | What to disclose under the item “triggering events of guarantee”? | Please note that the LOG file includes a closed list for this cell. |
| 383. | Crédit Agricole Assurances | BS-C1B- cell D3C | Ancillary Own Funds Y/N: it is outlined in the LOG that a reconciliation will be done with the Own Funds OF-B1 template on Ancillary Own Funds A25 and A26 elements.These elements do not exist. Maybe the right cells (related to « Letters of credit and guarantees under Article 96(2) of the Framework Directive ») are cell A37 and cell A38 , aren’t they? | LOG corrected – indication for A37 and A38. |
| 384. | The Directorate General Statistics (DG-S) of the E | BS-C1D – Benefits | 1. For the purpose of deriving data on transactions, the breakdown by currency would be useful to compute exchange rate adjustments, wherever needed. For the remaining currencies it might be useful to use the heading: “remaining currencies” instead of “Etc.”2. This is a useful template to assess currency exchange risk. 3. The data is very aggregated, a further breakdown of the investment items “investments” and “assets” would benefit much the currency exchange risk. | Etc. means here other currencies which should be reported separately and not as an aggregated amount.This breakdown is provided in Assets-D1 and Assets-D2O. |
| 385. | Deloitte Touche Tohmatsu | BS-C1D – Costs | In our opinion the costs will not signficantly depend on the granularity of the balance sheet items. This reporting is based upon much more detailed data. The cost will therefore heavily depend on the availability of this information. | Noted |
| 386. | ING Group Data modelling team | BS-C1D – Costs | See remark BS-C1D – Groups |  |
| 387. | RSA Insurance Group plc | BS-C1D – Costs | See “Purpose” above. |  |
| 388. | UNESPA – Association of Spanish Insurers | BS-C1D – Costs | Because of the wide range of curriencies currently used, reinsurers could face huge costs derived from this template. | Noted |
| 389. | A.M. Best Europe - Rating Services Ltd | BS-C1D – Disclosure | We believe that it is essential to have public disclosure of the currency exposure of insurers, especially life ones.For this reason we recommend that this form is made publicly available, albeit with higher thresholds e.g. currencies representing 80% of assets and liabilities and those with currency mismatch of more than 5%. | Noted |
| 390. | RSA Insurance Group plc | BS-C1D – Disclosure | We agree that this form should not be publicly disclosed. | Noted |
| 391. | The Directorate General Statistics (DG-S) of the E | BS-C1D – Frequency | If no volatility is expected annual frequency could be acceptable. | Please note that this template is for annual report only. |
| 392. | Afa Sjukförsäkring, AFA Trygghetsförsäkring, AFA L | BS-C1D – General  | Please specify how the 90 % sholud be calculated ? | Most important currencies up to 90% of assets/liabilities using S ll values |
| 393. | AMICE | BS-C1D – General  | AMICE General Comments on BS-C1D Balance Sheet are the following How would hedging (with derivatives as hedging instruments) be reflected in the reporting template? Should the net-position be reported? Or should the derivatives be reported separately? It should be considered how hedging should be reflected (this may even depend on whether the hedging is performed by single asset or for a portfolio). Furthermore, it is not clear how subsidiaries should be reflected in the template. Should the parent company look through the currency positions of the subsidiary or should the subsidiary be included with, for example, the adjusted equity value in the functional currency of the subsidiary? | The hedging instrument and the hedged item both have to be valued at fair value. They should be reported separately, unless netting is allowed according to IFRS.The reporting by currency under this template is made following the consolidation method used. |
| 394. | Association of British Insurers (ABI) | BS-C1D – General  | For Template C1D we would prefer a greater level of simplification, so that we just showed total assets and total liabilities by currency.The current template is problematic given the complexity of consolidating entities from all over the world at a Group level. | Noted. Please see comment 393. |
| 395. | CEA | BS-C1D – General  | In general, the purpose of requesting this information is not clear. It is often the case that liabilities are mainly covered by assets of the same currency and the net currency risk as a result is low. For undertakings operating on an international basis it will not be possible to report on every currency, for example one legal entity may deal with 116 different currencies. Instead it should be allowed to focus on main currencies, for example every currency that makes more than X% (to be determined) of the transaction volume. Further clarification required: How would hedging (with derivatives as hedging instruments) be reflected in the reporting template? Should the net position be reported? Or should the derivatives be reported separately? It should be considered how hedging should be reflected (this may even depend on whether the hedging is performed by single asset or for a portfolio). Further at group level, it is not clear how subsidiaries should be reflected in the template. Should the parent company look through the currency positions of the subsidiary or should the subsidiary be included with, for example the adjusted equity value, in the functional currency of the subsidiary? Cell A20 from BS-C1 will be reported twice in BS-C1D. Once as part of Reinsurance recoverables and once as part of Deposits to cedents | Noted Comment from informal consultation (2010) which was the basis for introducing the threshold.Please see comment n. 393.Please see comment n. 393.A20 in BS-C1 corrected, so no double counting in C1D.  |
| 396. | CFO Forum & CRO Forum | BS-C1D – General  | For Template C1D we would prefer a greater level of simplification, so that we just showed total assets and total liabilities by currency.Reinsurers work in different currencies, 90% means to report in 10 different currencies.We understand that calling the “best effort basis” is applicable especially with the Risk margin per currency.Should our proposal to restrict the disclosure to just total assets and liabilities by currency not be considered, clarification is required on the following phrase “The currencies are the underlying asset or liability, and not necessarily the way it is recorded in the books.” Reinsurers rely on the information received from cedants; many Multi-reinsurance and retrocession programs are in USD or EUR. However, the underlying risks are in local currency of which is not always visible or information available. We understand that the information received can be used. It is also not clear what is meant by proposing to include the Risk margin included in Technical provisions (by currencies) on a best effort basis.The current template is also cumbersome given the complexity of consolidating entities from all over the world at a Group level. | Noted Currency determined in treaty should be used LOG changed to report the Risk Margin in cell A14 (Any other liabilities), separating RM from BE.Noted  |
| 397. | Danish Insurance Association | BS-C1D – General  | For undertakings using an internal model this template seems excessive since the internal model should properly assess the risk of the company. The information in BS-C1D may not be relevant to the company and may not be used in the company’s risk management and hence should not be mandatory. | Noted but not agreed. |
| 398. | German Insurance Association (GDV) | BS-C1D – General  | In general, the purpose of requesting this information is not clear. It is often the case that liabilities are mainly covered by assets of the same currency and the net currency risk as a result is low. For undertakings operating on an international basis it will not be possible to report on every currency, for example one legal entity may deal with 116 different currencies. Instead it should be allowed to focus on main currencies, for example the five largest by transaction volume. The corresponding LOG contains following statement, “Risk margin included in Technical provisions (by currencies) should be calculated on a best effort basis”. This statement is confusing and not fully consistent with terms in other texts regarding technical positions.Further clarification required: It is not explicitly stated (e.g. in the LOG) how reinsurance is to be treated, especially for multi-risk, multi-territory policies. The same applies to technical provisions. How would hedging (with derivatives as hedging instruments) be reflected in the reporting template? Should the net position be reported? Or should the derivatives be reported separately? It should be considered how hedging should be reflected (this may even depend on whether the hedging is performed by single asset or for a portfolio). Further at group level, it is not clear how subsidiaries should be reflected in the template. Should the parent company look through the currency positions of the subsidiary or should the subsidiary be included with, for example the adjusted equity value, in the functional currency of the subsidiary? Not all assets/liabilities part of BS-C1 are incorporated in BS-C1D. For example BS-C1 A28A, A28B. Cell A20 from BS-C1 will be reported twice in BS-C1D. Once as part of Reinsurance recoverables and once as part of Deposits to cedants | Please see comment n. 395Please see comment n. 395Please see comment n. 396The currency should be determined in the contracts/agreementsPlease see comment n. 393Please see comment n. 393LOG corrected indicating that A26A and A28B of BS-C1 should be included in A7 of BS-C1D.A20 in BS-C1 corrected, so no double counting in C1D. |
| 399. | ING Group Data modelling team | BS-C1D – General  | Total of Assets on C1D is not equal to total of Assets on C1, A28A (Own shares) and A28B (Amounts due in respect of own fund items or initial fund called up but not yet paid in for) are included in Total of Assets on C1 but not included in the total of assets for C1D.Is this on purpose or should BS-C1:A28A and BS-C1:A28B should also be included in the formula of BS-C1D:A7.  |  See above |
| 400. | PwC | BS-C1D – General  | Guidance is needed as to how the currency of each type of asset and liability should be determined. This may be particulary relevant for items other than financial instruments and for items, such as equity shares, which are listed on multiple exchanges.If the intention is to derive conclusions about currency matching of assets and liabilities, we do not believe that this information can be assessed by looking at the balance sheet figures of assets and liabilities in isolation. For example there might be currency derivatives contained within the assets that will show greater volatility concerning changes in exchange rates than normal assets. If the intention is to draw conclusions on currency exposures, we would suggest using the respective SCR and risk disclosure and thus currency risk information. | Please see comment n. 444Noted |
| 402. | RSA Insurance Group plc | BS-C1D – General  | It is not explicitly stated (e.g. in the LOG) how reinsurance is to be treated, especially for multi-risk, multi-territory policies. The same applies to technical provisions. This was a comment made in both summer 2010 and February 2011 and it should be properly considered. The treatment of participations also needs to be clarified, i.e. whether we are to look through these investments or simply (as we should prefer) in its reporting currency.The General Comment in the LOG states that this form should report all currencies “representing up to 90% of both assets & liabilities (in SII value)”. This requirement is unclear: given the stated “up to 90%” requirement, we presume that either there a minimum requirement that has yet to be specified, or that this actually means “at least 90%”. Please clarify this. | Please see comment n. 396.The reporting by currency under this template is made following the consolidation method used.Noted. It means at least 90%.  |
| 404. | The Directorate General Statistics (DG-S) of the E | BS-C1D – General  | Please refer to BS-C1 - General |  |
| 405. | The International Group of P&I Clubs | BS-C1D – General  | The guidance does not clearly identify the currency in which the templates should be reported. Our assumption is that the report templates will be completed in the entity’s reporting currency.  | Yes, it’s the entity’s reporting currency |
| 406. | The Phoenix Group | BS-C1D – General  | How would hedging (with derivatives as hedging instruments) be reflected in the reporting template? Should the net position be reported? Or should the derivatives be reported separately? | Please see comment n. 393 |
| 407. | UNESPA – Association of Spanish Insurers | BS-C1D – General  | It is common among reinurers that a 90% threshold would force them to report information in more than 10 different currencies. Because of that, they understand that information is asked on a best effort basis or suggest a different materiality approach (for example, currencies representing at least a X% of the business). In order to inform the currency of the underlying asset or liability, usually reinsurers depend on their clients. Several multi-country reinsurance programs are formulated in USD or EUR, but underlying risks are formulated in local currencies. It is the same in the case of retrocession programs. | If according to the threshold undertaking is to present information on 10 currencies it means 10 columns with data presented in reporting currency.Please see comment n. 396 |
| 408. | XL Group plc | BS-C1D – General  | We agree that materiality threshold should be applied and that currencies representing up to a certain percentage of both assets & liabilities (in SII value) should be represented, although we would suggest that the percentage be closer to 75% | Noted |
| 409. | Association of British Insurers (ABI) | BS-C1D – Groups | This template will be extremely difficult and costly to report at group level.While assets and liabilities are held in sub ledgers in the currency of the original transaction, the consolidation process and elimination entries are carried out in the functional currency of the Group. Therefore a manual allocation process would be necessary to split assets and liabilities by currency. | Noted. This information is also important at Group level |
| 410. | CEA | BS-C1D – Groups | This template will be almost impossible to report at group level in its current form. There will be major problems in the consolidation process to split assets and liabilities by currency. We assume EIOPA’s intention is to require reporting in the currency of the subsidiary in which case, adjustment to Group consolidation systems will be substantial and costly.There is a question here over how to assess the currency module at group level. It may be possible to report total assets and total liabilities. There is also the issue that not all entities within the Solvency II group scope will be (re)insurance entities.We propose to delete this template from group reporting requirements or introduce simplifications for the group template. | This information is also important at Group level. The reporting by currency under this template is made following the consolidation method used.At group level the reporting currency is the currency used for group consolidation. |
| 411. | German Insurance Association (GDV) | BS-C1D – Groups | This template will be almost impossible to report at group level in its current form. There will be major problems in the consolidation process to split assets and liabilities by currency. We assume EIOPA’s intention is to require reporting in the currency of the subsidiary in which case, adjustment to Group consolidation systems will be substantial and costly.There is a question here over how to assess the currency module at group level. It may be possible to report total assets and total liabilities. There is also the issue that not all entities within the Solvency II group scope will be (re)insurance entities.We propose to delete this template from group reporting requirements or introduce simplifications for the group template. | Please see comment n. 410 |
| 412. | ING Group Data modelling team | BS-C1D – Groups | As Groups get reported in reporting currency (i.e. the currency of the currency where the subsidiary is established), it is assumed that Groups must report in the reporting currency of the subsidiairy here. Otherwise adjustment to Group consolidation systems will be substantitial and costly. | Please see comment n. 393The reporting by currency under this template is made following the consolidation method used.At group level the reporting currency is the currency used for group consolidation. |
| 413. | Royal London Group | BS-C1D – Groups | The template will be very difficult to do for groups.  | Noted |
| 414. | The Directorate General Statistics (DG-S) of the E | BS-C1D – Groups | Please refer to BS-C1 - Groups |  |
| 415. | XL Group plc | BS-C1D – Groups | This template will be extremely difficult and costly to report at group level.While assets and liabilities are held in sub ledgers in the currency of the original transaction, the consolidation process and consolidation elimination entries are carried out in the functional currency of the Group. Therefore a manual allocation process would be necessary to split group consolidated assets and liabilities by currency. We propose this template should be removed from the group reporting requirements. | Please see comment n. 409 |
| 416. | AMICE | BS-C1D – Materiality | We welcome EIOPA´s decision to simplify the definition of the materiality threshold. Reporting the most important currencies representing up to 95% of both assets & liabilities (in SII value) along with any currency with a currency mismatch (difference between assets and liabilities) would be less onerous. | Noted |
| 417. | Association of British Insurers (ABI) | BS-C1D – Materiality | There is no net exposure reported in the template currently although it was a requirement in the previous version of the template. A net exposure line should be reintroduced.The limits now provided will make this form more manageable | Noted |
| 418. | CEA | BS-C1D – Materiality | We support EIOPA’s proposal to apply a materiality threshold however we would like to highlight that the stated example (currencies representing up to 90% of both assets and liabilities) could be inappropriate for some elements of the balance sheet which do not have a currency for example, excess of assets over liabilities. If the assets are valued at 100€ and the technical liabilities and shares at 90€, the remaining 10€ would be considered as part of the reconciliation reserve. | Please note that no information on excess of assets over liabilities (nor on BOF) by currencies is required in this template. |
| 419. | Deloitte Touche Tohmatsu | BS-C1D – Materiality | Extra burden for small and mediumsized insurance undertakings outside the EURO zone which is not related to these entities’ risk profile. | Noted |
| 421. | German Insurance Association (GDV) | BS-C1D – Materiality |  | - |
| 422. | Royal London Group | BS-C1D – Materiality | The materiality threshold for this template is essential to avoid excessive disclosure and associated cost. The suggested limit of 90% of total assets and liabilities is reasonable. | Noted |
| 423. | RSA Insurance Group plc | BS-C1D – Materiality | We believe the 90% limit is too high and that – in line with existing Solvency I practice in certain member states – 80% should be used instead. | Noted |
| 424. | The Directorate General Statistics (DG-S) of the E | BS-C1D – Materiality | The threshold applied would be fine (e.g. with a coverage up to 90% of currencies) | Noted |
| 425. | Association of British Insurers (ABI) | BS-C1D – Purpose | The purpose of the template is to give an overview of potential currency risks. However, there is no consideration of maturity by simply presenting assets and liabilities by currency so this template will not necessarily give an accurate picture of the true currency risk position. Currency risk is presented in SCR-B3A. The guidance should explain how these two templates should link. | Information on maturity will be given in Assets-D1.To access currency risk supervisors can use information reported in this template, in assets templates and in technical provisions templates, at least. |
| 426. | CEA | BS-C1D – Purpose | We do not believe that conclusions about currency matching of assets and liabilities can be assessed by looking at the balance sheet figures of assets and liabilities. Currency mismatchesIf the undertaking has hedged currency risks with derivatives this template does not give the full picture. There should be, for example, a row stating the amount of assets / liabilities that are hedged with derivatives / nominal value of derivatives. Currency RisksThere might be currency derivatives contained within the assets that will show greater volatility concerning changes in exchange rates than normal assets. If the intention is to draw conclusions on currency exposures, we would suggest using the respective SCR and risk disclosure and thus currency risk information. There is a specific currency risk module within SCR calculations. Also, to identify currency mismatches and potential currency risks, EIOPA should take into account maturity dates which are not possible in this template.  | Please see comment 425.NotedNotedPlease see comment n. 425 |
| 427. | Federation of Finnish Financial Services | BS-C1D – Purpose | It is said that this template aims at giving an overview of currency mismatches between assets and liabilities and of potential currency risks. If the undertaking has hedged currency risks with derivatives this template does not give a right picture. There should e.g. a row telling the amount of assets / liabilities that is hedged with derivatives / nominal value of derivatives. What are supervisors getting out of this? This is not based on level 2. What is thought to be benefit of this? | Please see comment n. 426  |
| 429. | German Insurance Association (GDV) | BS-C1D – Purpose | We do not believe that conclusions about currency matching of assets and liabilities can be assessed by looking at the balance sheet figures of assets and liabilities. Currency mismatchesTo use an example, if the undertaking has hedged currency risks with derivatives this template does not give the full picture. There should be, for example, a row stating the amount of assets / liabilities that are hedged with derivatives / nominal value of derivatives. Currency RisksTo use an example, there might be currency derivatives contained within the assets that will show greater volatility concerning changes in exchange rates than normal assets. If the intention is to draw conclusions on currency exposures, we would suggest using the respective SCR and risk disclosure and thus currency risk information. There is a specific currency risk module within SCR calculations. Also, to identify currency mismatches and potential currency risks, EIOPA should take into account maturity dates which is not possible in this template.  | Please see comment n. 426 |
| 430. | RSA Insurance Group plc | BS-C1D – Purpose | We believe that, in order to assess risks arising from the use of foreign currencies, this form should actually be more aligned with the internal model and how the undertaking, through that model, considers such risks. This form, currently laid out, instead creates extra work for undertakings as they are forced to present data in a way that will not be consistent with internal reporting. | Noted. Please see comment n. 425 |
| 431. | The Directorate General Statistics (DG-S) of the E | BS-C1D – Purpose | Please refer to BS-C1 - General |  |
| 432. | FEE | BS-C1D- cell A1 | Treatment of hedging of foreign currency exposure needs further guidance. | Please see comment n. 426 |
| 433. | RSA Insurance Group plc | BS-C1D- cell A1 | In the absence of any guidance, and in line with the Level 2 text on the valuation of assets and liabilities, it should be clarified that the currency rate for converting foreign currencies into reporting currency is the same as IFRS with closing rate being used for monetary items and spot rate for non-monetary items. | In LOG it is stated that for converting the currency rate as of reporting year end should be used (currency rates announced by national central bank) |
| 434. | CEA | BS-C1D- cell A10 | We query whether the item in the LOG should read, “deposits from reinsurers and insurance intermediaries and reinsurance payables”. | LOG was corrected to say: , “deposits from reinsurers and insurance, intermediaries and reinsurance payables”. |
| 435. | German Insurance Association (GDV) | BS-C1D- cell A10 | We query whether the item in the LOG should read, “deposits from reinsurers and insurance intermediaries and reinsurance payables”. | Please see comment n. 434 |
| 436. | The Phoenix Group | BS-C1D- cell A11 | Is this value based on the hedging currency or the issue currency? | Please see comment n. 393 |
| 437. | CEA | BS-C1D- cell A13 | Please refer to BS-C1- cell L23 for comments on reporting of contingent liabilities. |  |
| 438. | German Insurance Association (GDV) | BS-C1D- cell A13 | Contingent liabilities’ have to be regarded as ‘Any other liabilities’. | Contingent liabilities are reported in cell A13 |
| 439. | CEA | BS-C1D- cell A14 | There should be a convergent approach towards categorisation of “any other liabilities”. BS-C1-cell L25 is also titled “any other liabilities” yet EIOPA include additional cells in the formula to calculate this cell. We query whether L15D and L26 are “other liabilities” or “financial liabilities”, in which case they would be reported in cell A12 of this template. | NotedThey are other liabilities |
| 440. | German Insurance Association (GDV) | BS-C1D- cell A16 | Please refer to A16. |  |
| 441. | RSA Insurance Group plc | BS-C1D- cell A16 | LOG (and this template) refers to cell A15; whereas the template denotes the cell as A15. |  |
| 442. | The International Group of P&I Clubs | BS-C1D- cell A16 |  |  |
| 443. | Association of British Insurers (ABI) | BS-C1D- cell A3 | How should investment funds be included – in the currency that the fund is denominated in or by looking-through to the underlying assets and liabilities? If it is on a look-through basis, this will be extremely difficult to do. | In the currency of the fund, no look-through required in this template. |
| 444. | CEA | BS-C1D- cell A3 | We assume that for dual listed investments, the undertaking can choose the currency denomination.Further clarification required: Where derivatives are held and these are for example, cross currency basis swaps, how should these be reported? Also, would it not be preferable to report them based on their economic effect so as to show the hedging impact of the transaction? Should Collective Investment Schemes (CIS) be done on a ‘look through’ basis? How should CIS that are not sufficiently transparent be treated for example, where currency information of the underlying assets is not available or cannot be quantified?  | The currency of the market used for valuation should be applied.Derivatives should be reported in cell A3 if they are adding value to the balance sheet, and in cell A11 if they are reducing value to the balance sheet.For investment funds, the reporting is made in the currency of the fund, no look-through required in this template. |
| 445. | Danish Insurance Association | BS-C1D- cell A3 | See BS-C1D A11 comment |  |
| 446. | German Insurance Association (GDV) | BS-C1D- cell A3 | We assume that for dual listed investments, the undertaking can choose the currency denomination.Further clarification required: Where derivatives are held and these are for example, cross currency basis swaps, how should these be reported? Also, would it not be preferable to report them based on their economic effect so as to show the hedging impact of the transaction? Should Collective Investment Schemes (CIS) be done on a ‘look through’ basis? How should CIS that are not sufficiently transparent be treated, where currency information of the underlying assets is not available or cannot be quantified?  | Please see comment n. 444 |
| 447. | Royal London Group | BS-C1D- cell A3 | How should investment funds be included – in the currency that the fund is denominated in or by looking-through to the underlying assets and liabilities. If it is on a look-through basis, this will be extremely difficult to do. | Please see comment n. 443 |
| 448. | The Phoenix Group | BS-C1D- cell A3 | Where derivatives are held and these are for example, cross currency basis swaps, how should these be reported? Also, would it not be preferable to report them based on their economic effect so as to show the hedging impact of the transaction? | Please see comment n. 444 |
| 449. | CEA | BS-C1D- cell A4 | The LOG states that cell A27A from template BS-C1 should map to this cell, however A27A has since been removed from the balance sheet. The LOG should be updated to reflect this.  | The LOG was corrected. |
| 450. | German Insurance Association (GDV) | BS-C1D- cell A4 | The LOG states that A27A from template BS-C1 should map into this cell, however A27A has since been removed from the balance sheet. The LOG should be updated to reflect this.  | The LOG was corrected. |
| 451. | Association of British Insurers (ABI) | BS-C1D- cell A5 | Should linked funds be included at the currency of the fund or on a look-through to the underlying assets and liabilities held by the fund? | Please see comment n. 452 |
| 452. | CEA | BS-C1D- cell A5 | The level of detail available on currency exposure from underlying unit linked funds remains an open issue. We believe this issue should be revisited and that unit linked funds should be reported in the currency of investment rather than looking through to the underlying currency of the various assets and liabilities of the funds. This would be incredibly burdensome for undertakings operating on a cross border basis. This information will be difficult to obtain and in addition we question its meaningfulness. We are of the opinion that this would be more appropriately looked at on a qualitative basis in terms of how the funds manage such risks. Further clarification required: Should Collective Investment Schemes (CIS) be done on a see ‘look through’ basis?  How should CIS that are not sufficiently transparent be treated, where currency information of the underlying assets is not available or cannot be quantified? | Noted. EIOPA considers that this information should be available at the undertakings, for investment risk monitoring purposes. Besides the detail of investments held for unit linked products is also required in Assets-D1.Please see comment n. 444 |
| 453. | German Insurance Association (GDV) | BS-C1D- cell A5 | The level of detail available on currency exposure from underlying unit linked funds remains an open issue. We believe this issue should be revisited and that unit linked funds should be reported in the currency of investment rather than looking through to the underlying currency of the various assets and liabilities of the funds. This would be incredible burdensome for undertakings operating on a cross border basis. This information will be difficult to obtain and in addition we would question its meaningfulness. We are of the opinion that this would be more appropriately looked at on a qualitative basis in terms of how the funds manage such risks. Further clarification required: Should Collective Investment Schemes (CIS) be done on a ‘look through’ basis?  How should CIS that are not sufficiently transparent be treated, where currency information of the underlying assets is not available or cannot be quantified?  | Please see comment n. 452 |
| 454. | Royal London Group | BS-C1D- cell A5 | Should linked funds be included at the currency of the fund or on a look-through to the underlying assets and liabilities held by the fund ? | Please see comment n. 452 |
| 455. | The Phoenix Group | BS-C1D- cell A5 | Is It necessary to report Unit-linked policies here? Any currency mismatch risk is borne by the policyholder. | Yes, please see comment 452. |
| 456. | RSA Insurance Group plc | BS-C1D- cell A5A | The formula on BS-C1 for cell A16 includes cell A20 which is also included in formula for cell A6 of this form – see comment on BS-C1 above as we believe this is an error. | A20 in BS-C1 was corrected, so no double counting in C1D. |
| 458. | CEA | BS-C1D- cell A6 | Please refer to BS-C1-cell A20 for comments on reinsurance receivables. |  |
| 459. | ING Group Data modelling team | BS-C1D- cell A6 | Formula includes the value from BS-C 1 A20 . However through the inclusion of BS-C1 A20 in the formula for A5A, BS-C1 A20 would already be included in the value of A5A. See also remark on cell A20 in BS-C1. | Please see comment n. 456 |
| 460. | RSA Insurance Group plc | BS-C1D- cell A6 | See A5A. |  |
| 461. | CEA | BS-C1D- cell A7 | There should be a convergent approach towards categorisation of “any other assets”. BS-C1-cell A29 is also titled “any other assets” yet EIOPA include additional cells in the formula to calculate this cell.  | Noted  |
| 462. | ING Group Data modelling team | BS-C1D- cell A7 | According to formula in log file BS-C1 A27 is counted twice: Once in A4 and once in A7. This can not be correct, We assume A27 should be included in A4 and not in A7.Can you confirm that our assumption is correct? | A27 of BS-C1 is only in A4 of BS-C1D  |
| 463. | KPMG | BS-C1D- cell A7 | For the template to agree with the BS – C1 total assets, this cell should also include A28A Own shares and A28B Amounts due in respect of own fund items or initial fund called up but not yet paid in | Please see comment n. 398 |
| 464. | RSA Insurance Group plc | BS-C1D- cell A7 | The LOG definition omits certain assets not included elsewhere, such as A3, A28A and A28B. Without including these, the BS-C1D total will not agree with BS-C1. | A3 of BS-C1 is in A4 of BS-C1D. Please see comment n. 398 |
| 465. | CEA | BS-C1D- cell A8 | We propose that the risk margin be reported at entity level. | Please see comment n. 296 |
| 466. | German Insurance Association (GDV) | BS-C1D- cell A8 | Please also refer to comments on A6.This template appears to require that the risk margin be split by currency. We propose that the risk margin be reported at entity level. | Please see comment n. 296 |
| 467. | The Phoenix Group | BS-C1D- cell A8 | This template appears to require that the risk margin be split by currency. Can risk margin be reported in a single (entity supporting) currency? | Please see comment n. 296 |
| 468. | Association of British Insurers (ABI) | BS-C1D- cell A9 | How should linked TPs be classified. If a linked fund holds assets in multiple currencies should the TPs be classified according to these underlying currencies or in the reporting currency  | If responsibility is in different currency then report is by currency, regardless of the assets. |
| 469. | German Insurance Association (GDV) | BS-C1D- cell A9 | Please refer to comments on A6 and A9. |  |
| 470. | Royal London Group | BS-C1D- cell A9 | How should linked TPs be classified. If a linked fund holds assets in multiple currencies should the TPs be classified according to these underlying currencies or in the reporting currency ? | Please see comment n. 468 |
| 471. | CEA | BS-C1-Disclosure | As previously mentioned differences in scope and national accounting methodologies will have a large impact on this template and EIOPA’s requirement to perform a quantitative reconciliation. Only the Solvency II valuation column should be publically disclosed along with a narrative statement explaining differences that have arisen between the two. This would continue to fulfil EIOPA’s envisaged benefits in terms of market transparency.  |  |