

<b>Comments Template on Consultation Paper on the Proposal for Guidelines on Forward Looking assessment of the undertaking's own risks (based on the ORSA principles)</b>		<b>Deadline 19 June 2013 12:00 CET</b>
Name of Company:	MGM Advantage	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ Do <b>not</b> change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool</li> <li>⇒ Leave the last column <u>empty</u>.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below.</li> </ul> <p><b>Please send the completed template, in Word Format, to <a href="mailto:CP-13-009@eiopa.europa.eu">CP-13-009@eiopa.europa.eu</a>. Our IT tool does not allow processing of any other formats.</b></p> <p>The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.</p>		
Reference	Comment	Resolution
<b>General Comment</b>	The Cover Note for the Consultations provided a very clear explanation that the purpose of the Guidelines, if adopted by National Competent Authorities, was to put in place a process for monitoring how insurers were progressing towards the eventual requirement to comply with the final requirements of the Directive. This is made clear in paragraphs 1.5, 4.2 (second bullet point) and 4.6. However the Guidelines themselves do not always make this clear. We would therefore welcome the inclusion within the actual Guidelines of similar language and clarity of	

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	<p>purpose as is set out in the Cover Note.</p> <p>This is particularly important around the capital requirements during the glide-path until the final SII requirements are known and then implemented.</p>	
<b>Introduction General Comment</b>	<p>We are also concerned about the potential plethora of capital measures that could be required: current Peak 1 and Peak 2 under the Current Directive, the current ICA regime, the variety of potential SCR assessments under SII and finally the ORSA. If it was clear that the ORSA could be stand-alone and using economic capital, and did not need to reflect potential different outcomes on the regulatory capital, that would be beneficial in planning.</p> <p>Some products appear profitable on one basis but not on another, which makes planning and product development very difficult.</p>	
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1.10	The use of the word « continuous » needs to be interpreted with care to ensure there are not unnecessarily burdensome reporting requirements.	
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1.21	<p>Again, we would suggest a rewording of this paragraph to avoid firms thinking they need a completed forward looking assessment in place as at 1/1/2014. We understand that the intention is for firms to make sure preparation for Solvency II is undertaken within 2014 and that firms should have a forward looking assessment carried out within the year and to have carried out the work required by the guidelines within that time. We would suggest the paragraph is reworded to state :</p> <p>« Firms should be making all steps to comply within 2014 and we would expect the guidelines to be complied with by 31/12/2014, although compliance with the full Solvency II requirements is not necessary by then. »</p>	
<b>Section I. General Comments</b>		
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1.23	We suggest inserting « that would be subject to the Solvency II directive » after « undertakings »	
1.24	The requirement for the NCA to report within 2 months of the end of the year could be difficult to achieve if a detailed and high quality report is required.	
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1.29	We would welcome clarity as to when the level 2 and 3 text can be released allowing firms to ensure they meet the Solvency II standard. A statement from EIOPA on whether it can issue some technical standards (similar to the specification for the long term guarantees assessment) and by which date would be helpful.	
<b>Section II. General Comments</b>		
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1.35	We consider the requirement to communicate the results of the FLA to « all relevant staff » is a good component of risk management. However it would be useful to understand the scope of staff that EIOPA consider to be appropriate.	
1.36	We presume that the 2 weeks is not after the date that the calculations are complete but rather two weeks after the AMSB has signed off the forward looking assessment. Some consideration should also be given around the need for the ORSA to be a process rather than just a report. In practice therefore there may be a myriad of documents involved. Further, as per our General Comment, it is unclear on what basis the capital requirements should be carried out.	
<b>Section III. General Comments</b>		

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1.38	This implies that firms will need to carry out the forward looking assessment on both a Solvency II projected balance sheets and on the current Solvency I projected balance sheets. The former is not possible until clarity around the LTGA is achieved. Although EIOPA has now published their assessment of the possible options, there is still a long way to go until final agreements is achieved.	
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1.41	A definition of medium and long term would be useful. The definition should be consistent with the nature of the insurance business being written and the undertakings business model	
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1.43	There will be difficulties in meeting these requirements before the final requirements on the LTGA are known.	
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<b>Section IV. General Comments</b>	<b>Not considered as we are not a Group.</b>	
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<b>Compliance and Reporting Rules General Comments</b>		
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<b>Impact Assessment – General Coments</b>		
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Question 1		
Question 2		
Question 3		
Question 4		
Question 5		
Question 6		
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