



Groupe Consultatif Solvency 2 Project – Monthly Report for Insurance Committee

3 August 2010

Introduction

This report provides an update on the progress of the Solvency 2 project. This follows the monthly teleconference call of the project team on 3 August.

Working Group Activities and Progress

Life Pillar I Working Group	<ul style="list-style-type: none">• Attended a CEIOPS FinReq meeting in which Actuarial Guidelines were discussed.• Have been reviewing reporting templates.• Issues on QIS5 around contract boundaries and treatment of expected future premiums.
Non Life Pillar I Working Group	<ul style="list-style-type: none">• Also attended CEIOPS FinReq meeting on actuarial guidelines
Pillar II and III Working Group	<ul style="list-style-type: none">• Completed document on ORSA including the role of the actuarial function and submitted with a meeting to discuss it set for 1 September.• CEIOPS is continuing its informal consultation on reporting template – the level of feedback to this consultation has been low.
Groups Working Group	<ul style="list-style-type: none">• Working on review of CP81 (Equivalence) although not really an actuarial subject. The suggestion was made that the International Actuarial Association should be considering this subject.



Solvency 2 Project Team Update

Internal models Working Group	<ul style="list-style-type: none">• Meet with CEIOPS a month ago to discuss level 3 Partial Internal Model integrating techniques. CEIOPS is concerned industry is not contributing enough.• Received request from CEIOPS for input around expert judgement with a call to follow on this. Agreed that this request should be shared within project team and with Actuarial Standards Task Force.
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Overview points

SC explained that his principal take from the recent informal discussions on Solvency 2 hosted by the Finnish Financial Services Association (who deserve thanks) had been the risks to implementation from scarce actuarial and other resources. This is likely to require a response from our profession with advocacy of use of prudent simplifications and wider use of undertaking-specific parameters. The level of participation in QIS 5 will be an acid test.

QIS 5 draft spreadsheet

Any feedback on the draft QIS5 spreadsheet would be useful.

Upcoming calls/meetings:

7 September 9.00 (CET) - next Group Consultatif SII Project team conference call

15 September 12.00 (CET) – next project team meeting

For further information, please contact one of:

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