



## Groupe Consultatif Solvency 2 Project – Monthly Report for Insurance Committee

### 2 February 2009

#### Introduction

This report provides an update on the progress of the Solvency 2 project. This follows a monthly teleconference call of the project team on 2 February 2009.

#### Meetings and events to date

It appears the European Commission, Parliament and the Council have agreed to accept Amendment 14 proposed by the Parliament's Legal Affairs Committee (The text of this amendment is "*The actuarial function shall be carried out by persons with sufficient knowledge of actuarial and financial mathematics, having capacity proportionate to the complexity and risk structure of the undertaking concerned, and able where appropriate, to demonstrate their relevant experience and expertise with applicable professional and other standards*"). Confirmation is expected during the week ending 6 February 2009. This would restore a reference to professional standards in Article 47, but the Groupe still would have to consider the process of formulation of standards.

- Seamus Creedon, together with two additional representatives from the Solvency II Project Team will attend a meeting for CEIOPS FREG stakeholders on 9 February 2009. This will be an opportunity to highlight to FREG the assistance the Groupe has provided, as well as to receive information from FREG on the priorities for its work programme.

#### Working Group Activities and Progress

Life Pillar I Working Group	<ul style="list-style-type: none"> <li>• The group held a meeting on 26 January 2009 in Düsseldorf.</li> <li>• The group has discussed FinReq issues and several issues were identified as relevant for the working group, as well as a wide range of possible responses to these issues. The group will aim to begin preparing responses after the meeting in Frankfurt on 9 February 2009.</li> <li>• The group considers that identification of the fundamental points in a direct dialogue with FinReq is a necessary precondition to treat the issues in an economic way.</li> </ul>
Non Life Pillar I Working Group	<ul style="list-style-type: none"> <li>• Discussion between Annette and CEIOPS during w/c 19 January re work programs.</li> <li>• A face to face meeting took place on 27 January in the working group.</li> </ul>



## Solvency 2 Project Team Update

	<ul style="list-style-type: none"> <li>• A response to CEIOPS December letter with questions to the report on 'Valuation of best estimates under Solvency II for non-life business' was prepared.</li> <li>• The Best Estimate country comparison was finalised.</li> <li>• Both to be submitted to CEIOPS early February.</li> <li>• The response to CEIOPS FinReq questions from September has been finalised.</li> </ul>
Pillar II and III Working Group	<ul style="list-style-type: none"> <li>• The group has a conference call on 4 February 2009.</li> <li>• The group is working on a case study of a company ORSA (solvency report), the group should be able to receive data. It is likely at this stage the group will only be able to prepare one case study.</li> </ul>
Groups Working Group	<ul style="list-style-type: none"> <li>• The group met face to face on the 14 January and had a conference call on 30 January.</li> <li>• The group is considering various topics in relation to groups, including consolidation, definitions of transferability and fungibility, limitations on transferability, and group specific risks. They are aiming to complete this by 9<sup>th</sup> of February so that it can be released to CEIOPS at the end of the month.</li> <li>• Henk made a presentation to the internal models expert group on mortality which was very well received.</li> <li>• The group is also considering the topic of correlation matrices in the directive and QIS4.</li> </ul>
Internal models Working Group	<ul style="list-style-type: none"> <li>• Hans Peter will be stepping down as the chair of the internal models working group.</li> <li>• Seamus coordinated the comments on IMEG Questionnaire on internal models (replication, calibration, technical provisions, aggregation) for CEIOPS forthcoming visits to stakeholders.</li> <li>• Thomas and Hans Peter had a conference call on 2 February with Paolo Cadoni from CEIOPS IMEG.</li> <li>• The group will be considering the recent CEIOPS internal models stock taking exercise.</li> </ul>

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