AMICE Response to EIOPA Second Set of Guidelines

AMICE provided a response to the following papers:

1. Implementing Technical Standards on Capital add-ons: We fully oppose any provision by which supervisory authorities are allowed not to notify the undertaking when imposing a capital add-on. We also reiterate the exceptional nature of capital add-ons.

2. Implementing Technical Standards on the Transitional measure of the Equity Risk Sub-module: We propose a simplification so that the transitional measure can also be applied to equities underlying investment funds.

3. Guidelines on the Extension Recovery Period: We request EIOPA to provide further details on what the timeline for granting an extension on the recovery period would be. We strongly disagree with the public disclosure of a withdrawal or revocation of an extension of the recovery period as this would have a negative effect on the undertaking’s financial situation.

4. Guidelines on Valuation of Assets and Liabilities other than Technical Provisions: EIOPA should not endanger the provision in the Delegated Acts by which firms can value assets and liabilities using accounting methods different to those used under IFRS provided this is proportionate to the nature, scale and complexity of the risks inherent in the undertaking’s business.

5. Implementing Technical Standards on the Equity Dampener: The ITS proposal for the equity index for the symmetric adjustment based on a weighted average of equity indices, designed to represent an average across member states could not act as a countercyclical measure when the firm invests in a non-diversified portfolio.

6. Implementing Technical Standards on the Treatment of Regional and Local Governments for Counterparty and Market Risk: EIOPA should apply an approach that ensures a level playing field with the banking sector.

7. Implementing Technical Standards on the procedures for assessing External Credit Assessments: Needleless to say, only a few companies will be able to engage the necessary resources to perform an additional credit risk assessment. The principle of proportionality should be clearly included in the ITS.

8. Implementing Technical Standards on Health Equalisation Systems (HRES): EIOPA should be transparent on the methods used to calibrate the premium and
reserve risk. EIOPA should also publish both factors well in advance to allow firms adjust premiums if needed.

9. Guidelines on the **Implementation LTG measures:** We point out that neither the Delegated Acts nor the Guidelines on Valuation of Technical Provisions prevent firms from using LTG measures in the Best Estimate used to approximate future SCRs in the Risk Margin calculation. This should be clearly stated in the Guidelines.

10. Guidelines on the **Methods for determining the Market share for Reporting:** We have requested EIOPA to allow insurance firms falling out of the 20% exemption threshold to submit the set of quarterly quantitative information starting in the third quarter of the following financial year.

11. Guidelines on **Financial Stability Reporting:** We have provided comments on EIOPA’s additional requests on quarterly reporting and on additional requests with regards lapses and reinsurance templated. We have also asked for clarification on some of the LoG files.

12. Guidelines on **Public Disclosure:** We have provided comments on the expected content of the Solvency Financial Condition Report (SFCR) and the Regular Supervisory Report (RSR). We have also reported on the mistakes spotted in the Annex on Validations.

13. Guidelines on **Supervisory Reporting:** We provide comments on the Ratings (Nominated ECAIs), Non-life and Health Catastrophe risk template, Impact of the new templates on the LTG measures, comments on the New fields of the Look-through template. We have also provided comments on the treatment of UCITs, comments on the MCR reporting, and comments on simplifications among others.

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