

**Summary of Comments on Consultation Paper EIOPA-CP-15/005
on the methodology to calculate the relevant risk-free interest rate term structures**

No.	Name	Reference	Comment	Resolution
3.	AMICE	Question 1	<p>Q1: Which of the three approaches described above meets best the objective of providing good risk management incentives and your expectations of stability and replicability? Why?</p> <p>Approach 1 seems to be the preferred approach as it is the one providing the greatest stability. We acknowledge that this method could limit the market responsiveness. But the transition matrix and the risk-free rates change with the market and ensure an appropriate risk management.</p>	We agree that the current approach should be retained.
6.	AMICE	Question 2	<p>Q2: Do you see other ways to either calibrate the $\square\square$ factors (including a change/simplification of the methodology) that would preserve the desired risk management incentives?</p> <p>N/A</p>	Noted.
	AMICE	Questions 3-10		<p>The UFRs to calculate the risk-free interest rate term structures for Solvency II, in particular the UFR of 4.2% for the term structure for obligations denominated in euro, will remain unchanged until at least the end of 2016.</p> <p>EIOPA is currently</p>

				<p>reviewing the methodology to derive the UFRs. The review will include a public consultation in 2016. EIOPA intends to decide on the outcome of the review in September 2016. It is not intended to change the currently used UFRs until at least the end of 2016 in order to ensure the stability of the framework for the implementation of Solvency II by insurance and reinsurance undertakings and supervisory authorities.</p> <p>EIOPA will respond to your comments on the UFR methodology when the public consultation starts in 2016.</p>
76.	AMICE	Question 11	<p>Q11: Do stakeholders agree with the conclusions of the DLT assessment?</p> <p>As AMICE had stated in our previous comments, when constructing the risk free yield curve, EIOPA should consider the DLT of all points on that curve and not only the last liquid point; Intermediate points should also be considered as not all points on the curve are liquid. Some maturities on the discount rate are less traded and are subsequently sensitive to "strange" movements and developments. AMICE members generally agree with the conclusions on the DLT assessment conducted by EIOPA.</p>	<p>Noted. All maturities are included in the update of the DLT assessment.</p>

81.	AMICE	Question 12	<p>Q12: Do you consider it appropriate to derive the corporate bond spread for the calculation of the VA from the OMRXMORTALL covered bond index?</p> <p>We confirm that the OMRXMORTALL index is representative of the covered bond market in Sweden. We also confirm that this index seems to be close to the average duration of the Swedish investments.</p>	Noted.
85.	AMICE	Question 13	<p>Q13: Have you identified other markets where covered bonds constitute a material part of insurers' investments? Do you have evidence on the degree of homogeneity/heterogeneity of the covered bonds in those markets in terms of credit quality and type of asset?</p> <p>N/A</p>	Noted.
88.	AMICE	Question 14	<p>Q14: For those markets with a material presence of covered bonds, have you identified indices for covered bonds with the relevant granularity and the features required in the Directive (duration and credit quality) similar to those of covered bonds undertakings are actually invested in?</p> <p>N/A</p>	Noted.
92.	AMICE	Question 15	<p>Q15: Do you agree to maintain the current factor of 85%? If not: What is the evidence for a different factor, where appropriate differentiating according to duration and type of asset?</p> <p>We believe that the proposed approach is pragmatic and we do not see any strong argument for deviating from this approach.</p>	Noted.