

Comments Template on CEIOPS-CP 39 Consultation Paper on the Draft L2 Advice on TP - Best estimate		Deadline 11.09.2009 4 p.m. CET
Name of Company:	European Insurance CFO Forum	
Disclosure of comments:	CEIOPS will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments should be treated as confidential:	No. The CFO Forum comments are not confidential.
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub bullets/subparagraphs, please indicate this in the comment itself. <p>Please send the completed template, in Word Format, to secretariat@ceiops.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to Consultation Paper No. 39 (CEIOPS-CP-39/09).</p>		
Reference	Comment	
General Comment	<p>CP39 is written from the perspective of valuing life insurance and fails to give sufficient consideration to non-life measurement techniques.</p> <p>The level 2 implementing measures should recognise that both stochastic and deterministic approaches can be used to achieve reliable estimates in different circumstances. CP39 emphasises the advantages</p>	

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	<p>of stochastic modelling for cash-flows with characteristics typical to life insurance. In non-life insurance the characteristics of the cash-flows and the difficulties of achieving adequate volumes of credible data may mean deterministic methods are as reliable as stochastic approaches.</p> <p>A potential approach may be to split the document into separate life and non-life parts regarding the calculation of the best estimate.</p> <p>Unit of account: Best estimates need to be measured using a portfolio approach to determine assumptions.</p> <p>The unit of account should be applied consistently for all measurement as this affects both diversification and model error. The unit of account should be contracts that are managed together. This is consistent with the CFO Forum's responses to the IASB Discussion Paper on Insurance Contracts issued in May 2007.</p> <p>The CFO Forum supports the view that no surrender value floor should be assumed for the market consistent value of liabilities for a contract.</p>	
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3.1.	<p>"Best estimate" calculated as a probability weighted average does not imply prudence.</p> <p>Whilst agreeing with the definition of "best estimate", the last sentence of the paragraph is confusing as it implies that the "best estimate" contains prudential margins. The "best estimate" is defined as a probability weighted average and by definition the probability weights take into account the uncertainty of future cash-flows. It should be clarified that the average, despite being probability weighted, by</p>	

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	definition does not imply prudence. Comments in 3.237 are also relevant here.	
3.2.		
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3.9.	“The model estimate” should be replaced with “the model estimates”.	
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3.20.	The CFO Forum supports the point made in this paragraph.	

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3.21.		
3.22.	"The methods which is appropriate" should be replaced with "the methods which are appropriate".	
3.23.	The CFO Forum supports the points made in this paragraph.	
3.24.	CEIOPS should provide detailed advice on potential "goodness of fit" tests. The CFO Forum agrees that sound statistical techniques, including "goodness of fit" tests should be used to ensure that the assumptions adequately reflect the uncertainty underlying the cash-flows. However, we acknowledge that there are a range of possible statistical techniques with various degrees of complexity and robustness. We recommend that detailed specifications of permitted "goodness of fit" tests be provided as part of level 2 implementing measures.	
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3.28.	The CFO Forum supports the points made in this paragraph.	
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3.34.	It is not clear whether "all steps" refers to those set out in 3.32. Further clarification is required. The CFO Forum recommends sharing results and assumptions "wherever appropriate". Amendment as follows: "All steps in the process of valuation of technical provisions should be	

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	documented and, wherever appropriate, results and assumptions should be shared with experts from other departments, which may include departments such as underwriting, pricing, and claims depending on the nature of the business and internal structure. View of...".	
3.35.	The CFO Forum recommends replacing "demonstrate" with one of "explain" or "describe" or "justify".	
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3.44.	Comments in 3.89 are also relevant here.	
3.45.		
3.46.		
3.47.		
3.48.	CEIOPS should clarify the difference between "claims management" and "claims administration" expenses. These two expenses may carry the same meaning in practice. Further explanation of the difference would be useful.	
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3.51.	<p>Expenses assumptions should reflect cost reductions if they are anticipated.</p> <p>The best estimate assumption should not include a margin for prudence. Therefore, if an undertaking can validate that cost reductions are anticipated, these should be reflected in the best estimate assumption.</p> <p>Comments in 3.1 are also relevant here.</p>	
3.52.		
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3.55.	<p>The CFO Forum agrees that a going concern basis is most appropriate.</p> <p>Comments in 3.100 are also relevant here.</p>	
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3.60.	<p>Here, surplus funds under Article 90(2) of the level 1 text "should be excluded". This contradicts 3.61 which suggest they "should be taken into account". Further clarity of the treatment is required.</p>	
3.61.	Comments in 3.60 are also relevant here.	
3.62.		
3.63.	<p>The CFO Forum supports the view that no surrender value floor should be assumed for the market consistent value of liabilities for a contract.</p>	

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3.71.	<p>Reported annuity claims should be computed using life techniques. There should not be a separate annuity part in relation to premium provisions.</p> <p>For reported annuity claims, life insurance techniques should be adopted to calculate the annuity. We do not agree that the premium provision should have a separate annuity part.</p>	
3.72.	<p>The CFO Forum believes there will be practical issues associated with splitting annuity provisions between claims outstanding and premiums.</p> <p>In addition, the CFO Forum notes that reinsurers do not usually have the necessary data available to perform the proposed split.</p> <p>Comments in 3.216 are also relevant here.</p>	
3.73.		
3.74.	<p>The example of unit linked should be removed.</p> <p>Not all unit linked products have little to none underwriting risk. This example should therefore be removed.</p>	
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3.77.		
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3.79.	The CFO Forum supports the points made in this paragraph.	
3.80.	Comments in 3.82 are also relevant here. The CFO Forum commented on the treatment of future premiums in its response to CEIOPS on CP30, expressing support for the inclusion of future premiums in the valuation of technical provisions.	
3.81.	The CFO Forum recommends adding the following sentence regarding co-insurance contracts. "For co-insurance contracts only the company's own share should be included".	
3.82.	Reflecting realistic future legal developments in cash-flows will be difficult in practice. Given that these developments would be set at an industry level, we would require the regulator to provide information to companies on any proposed future developments.	
3.83.	Assumptions for future inflation may not be needed for all lines of businesses, especially businesses with very short tailed liabilities. This requirement should exempt short tailed businesses, such as Motor Hull, where inflation is insignificant. The principle of proportionality should be considered in the application of this paragraph.	
3.84.	The proportionality principle should be applied when determining the projection horizon. The full lifetime of the insurance portfolio should only be considered where this has a material effect on the underlying risk. There may be practical difficulties in projecting until the theoretical full life time of the insurance portfolio for certain classes of long tailed liabilities. Where the effect is demonstrated to be immaterial, a shorter duration should be permitted. Guidance is required on how to calibrate assumptions where the observable market is of a shorter duration than the liabilities.	

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	The CFO Forum requests that guidance is provided as part of level 2 implementing measures to ensure a harmonised approach.	
3.85.		
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3.89.	Although we note that the list is not exhaustive, we believe that expense assumptions should also allow for foreseeable development and regulatory costs.	
3.90.	<p>The CFO Forum supports the recommendation of the allocation of companies' own estimated overheads.</p> <p>CP39 recommends the allocation of companies' own estimated overheads. The CFO Forum supports this approach to estimating the expense component of the technical provisions.</p> <p>Expenses may not only be assigned to claims.</p> <p>The CFO Forum recommends the following amendment in the wording: "Allocated expenses are directly assignable to individual claims, policies or transactions."</p>	
3.91.	Comments in 3.90 are also relevant here.	
3.92.	Comments in 3.90 are also relevant here.	
3.93.	Comments in 3.90 are also relevant here.	
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3.98.	Comments in 3.51 and 3.100 are also relevant here.	
3.99.	<p>The CFO Forum recommends that the order of paragraphs a) and b) is reversed and it is made clear that the current option a) is applicable only to entities already in run-off.</p> <p>For the purposes of Solvency II a going concern basis should always be assumed unless an entity is already in run-off, hence the current option b) should normally apply.</p> <p>Comments in 3.100 are also relevant here.</p>	
3.100.	<p>Technical provisions should be calculated on a going concern basis.</p> <p>The CFO Forum believes that the decision to use a going concern or run-off basis is a decision not just for expenses but applies to other assumptions.</p> <p>The going concern basis applies both before and after significant financial shocks since the acquirer in the transfer concept would be a going concern. The CFO Forum considers that since the Solvency II measurement basis is to transfer liabilities to another entity that a going concern basis is most appropriate.</p> <p>Comments in 3.55 are also relevant here.</p>	
3.101.	<p>Under Solvency II, technical provisions should always be estimated on a going concern basis so any other basis is irrelevant.</p> <p>Under the Solvency II framework, technical provisions should equal the amount a company has to pay to transfer all obligations to a third party and this is done on a going concern basis.</p> <p>Whether on a going concern basis or on a wind-up basis will result in changes to many assumptions used in the valuation of the best estimate, not just those associated with expenses. It is important that the going concern basis is applied consistently to all assumptions.</p>	
3.102.	<p>Allowance for cost reductions should also be permitted after significant changes to the business.</p> <p>Best estimate valuation should include expected cost reductions that are realistic, objective and</p>	

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	<p>verifiable. Situations when cost reductions should be allowed for include valuations relating to the first five years after licensing of the undertaking or after alterations to the business that lead to significant start-up costs such as the introduction of a new line of business, product line or a new sales channel where significant new infrastructure is required. Other situations will exist where future cost reductions can be estimated and should be included in the valuation of best estimate.</p> <p>Comments in 3.51 and 3.100 are also relevant here.</p>	
3.103.		
3.104.	<p>Tax payments may affect asymmetric behaviour and should be reflected in the best estimate.</p> <p>The CFO Forum recommends the following sentence is added:</p> <p>"Where tax payments directly affect the asymmetric behaviour of the liabilities due to profit sharing rules and in the calculation of the liability for embedded options and guarantees, the calculation of best estimate liabilities may also require to be performed allowing for the tax impact. "</p>	
3.105.		
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3.107.	<p>Clarification is required as to the application of "national level" allowance.</p> <p>Article 90 (2) refers to the "national level" allowance. Clarification is required as to whether the ability to absorb losses and be "subordinated" to all other claims is confined to, for example, the legal entity, the fund concerned, or the branch.</p>	
3.108.		
3.109.	<p>The requirements for cash-flow projections based on model points should be lower for reinsurers compared with primary insurers given the lower level of data availability.</p> <p>The word "not" should be deleted from condition d).</p> <p>The use of model points should be permitted when a policy-by-policy basis would be an undue burden.</p>	

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3.110.		
3.111.	The CFO Forum notes that this is a critical conclusion and should remain in the level 2 implementation guidance.	
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3.114.	<p>Clarification is required as to whether the premium provision calculation needs to be presented into the specific components listed.</p> <p>The CFO Forum agrees that the premium provision should take the listed items into account. However, it is unclear whether these should be calculated separately or as a lump sum.</p> <p>If separate calculations are required, the CFO Forum does not agree with separating out the allocated claim management expenses from the future claims event cash-flows given the practical challenges of doing so.</p>	
3.115.	<p>The phrase "medium future term" should be defined.</p> <p>The CFO Forum notes that there will be a wide range of views in the industry regarding what the "medium future term" is. The term should be defined to ensure consistency.</p> <p>The requirement should be amended to reinforce the view that technical provision can be negative for life insurance business, consistent with 3.110.</p> <p>To reinforce consistency with 3.110, the requirement should be amended to include: "in certain specific circumstances, the best estimate element of technical provision may be negative. This is acceptable and undertakings should not set to zero the value of the best estimate with respect to those individual contracts."</p>	
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3.119.	<p>Accident and disability riders to life insurance policies should be permitted to be evaluated as life obligations.</p> <p>The CFO Forum recommends the following sentence to be added : "Often accident and disability are included as riders in participating life business. In this case, a separation of the liability into the health line may be inappropriate. In particular where the products include annuity elements, calculation in line with life insurance obligations may be more appropriate."</p> <p>Clarification is requested as to whether the definition of Health obligations includes compulsory motor third party.</p> <p>The definition here seems to include motor third party, which will result in different treatments between motor third party and worker's compensation whilst these two classes share very similar risk characteristics. In general, the CFO Forum prefers not to have a separate Health module.</p>	
3.120.	<p>Treatment of unemployment guarantees is unclear.</p> <p>The techniques for valuing unemployment guarantees are similar to life but it seems inappropriate to add unemployment to the health category. We recommend that a sub-category of SLT is created within the non-life SLT.</p>	
3.121.	<p>The requirement to perform separate calculations for different currencies should take account of the principle of proportionality.</p> <p>The requirement for separate calculations should be applied where obligations from a different currency are significant in relation to the total provisions of the undertaking. A simplified approach should be used for immaterial exposures.</p>	
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3.142.	<p>In line with our comments in 3.121, the identification of embedded options and guarantees should be subject to the principle of proportionality.</p> <p>The CFO Forum believes the principle of proportionality and materiality should be applied to the requirement to identify contractual options and financial guarantees in the contracts.</p> <p>Management options should also be identified.</p>	

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	As options of the management, for example, the right to increase premium, may be used by the insurer at the management's discretion, we recommend the following amendment to the paragraph: "Insurers are required to identify all contractual options and financial guarantees embedded in their contracts. This includes options of the policyholder, but also management options of the undertaking."	
3.143.	The CFO Forum requests guidance as to what should be considered to be a "sufficiently large range of scenarios".	
3.144.	Comments in 3.143 are also relevant here.	
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3.147.	<p>Due to management rules of the company and, for example, cross financing options, often the liability can only be expressed on a group of policies that do include "in the money" and "out of the money" policies. It is appropriate that they are projected in different model-points; nevertheless the result of the valuation may be only available on a higher level. Since 3.147 talks about segmentation of the valuation and not about model points this needs to be clarified.</p> <p>The CFO Forum, therefore recommends that the paragraph is amended as follows, "When the valuation of the best estimate of contractual options and financial guarantees is not being done on a policy-by-policy basis, the segmentation considered should not inappropriately distort the underlying risks, which could be the case by forming groups containing policies which are 'in the money' and policies which are 'out of the money'. Where such different policies are managed together, for example based on one fund of assets, sharing the same liability buffers, or where cross subsidization is allowed, the risk would be distorted, if the segmentation would not allow for a fair reflection of the strong interdependence of the policies."</p>	

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3.148.		
3.149.	<p>The requirements include reputation risk, which is not to be assessed according to the level 1 Directive.</p> <p>The CFO Forum does not view policyholders' actions to be fully correlated to the financial markets. The above requirement could be interpreted to include reputation risk. This is not to be assessed according to the level 1 Directive.</p> <p>Any requirement to model policyholder behaviour should be kept reasonable and tractable.</p> <p>Judgement is required to consider non-financial factors affecting policyholder behaviour, particularly where data is scarce.</p> <p>The CFO Forum recommends the following sentence to be added: "Where historic data are scarce, particularly for scenarios where the guarantee is in the money, judgment may be required to take into account non-financial factors relevant to policyholder. This may include tax advantages, rider benefits, underwriting cost or disadvantages when cancelling the policy."</p>	
3.150.	CEIOPS should clarify what constitutes "non-financial guarantees" and provide further details of the definition of materiality in this context.	
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3.163.	<p>Current wording could be interpreted to mean that the component of policyholders' behaviour within the technical provisions needs to be shown separately. The CFO Forum sees no benefit in doing so.</p> <p>The current wording could be interpreted to mean that the impact of the policyholders' behaviour within the best estimate of the technical provisions is to be identified separately. We see no benefit in doing this.</p> <p>The CFO Forum recommends the following rephrasing: "Undertakings are required to take into account policyholders' behaviour" in order to be consistent with 3.152 namely "Undertakings are required to analyse policyholders' behaviour with respect to the likelihood that they will exercise the options."</p>	
3.164.		
3.165.	The CFO Forum notes that in many cases data may be scarce and appropriate judgement of policyholder behaviour is required.	
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3.180.	Comments in 3.189 are also relevant here.	
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3.182.	The phrase "should based" should be replaced with "should be based".	
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3.189.	<p>If splitting out conditional and pure discretionary benefits is only required for informational purposes, then the benefits do not outweigh the practical costs.</p> <p>If the proposed division of conditional and pure discretionary benefits is for informational purposes only, the CFO Forum does not believe the advantages of splitting these items out outweighs the practical costs in producing the splits.</p> <p>Both conditional and pure discretional benefits should allow for policyholders' reasonable</p>	

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	expectations.	
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3.193.	The CFO Forum has commented explicitly on the allowance of an illiquidity premium in the response to CP40: Risk free interest rate structures.	
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3.199.	Comments in 3.215 are also relevant here.	
3.200.	Comments in 3.216 are also relevant here.	
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3.207.	Comments in 3.209 are also relevant here.	
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3.209.	<p>The treatment of expenses in 3.209 is inconsistent with 3.207.</p> <p>The CFO Forum requests clarification on the treatment of expenses for reinsurance contracts and special purpose vehicles.</p> <p>Paragraph 3.207 states that "cash-flows should include...recoverables...for related expenses". However here, the statement "no allowance for expenses should be made" contradicts this earlier remark. Further clarification of this inconsistency is requested.</p>	
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3.215.	<p>The CFO Forum does not agree with the requirement of a separate calculation for finite reinsurance.</p> <p>Provided that reinsurance, finite or otherwise is valued appropriately and involves the transfer of risk principle as per definition of an insurance contract, there is no real difference between the two types of contract. Also, it would be challenging to define finite reinsurance objectively. Therefore, we do not agree that this category requires a separate calculation.</p>	
3.216.	<p>Further clarification on the claims provision definition is requested.</p> <p>The CFO Forum agrees that reinsurance recoverables should be separated into premium provisions and claims provisions. However given 3.197 and 3.200, further clarification of the claims provision definition is required.</p> <p>There can be significant delays in the payment of the gross claim and payment of recovery. In some circumstances the reinsurance recovery is received before the underlying claim is paid to the insured policyholder. In these circumstances standard practice is to maintain both the claims reserve and the corresponding reinsurance recovery until the claims reserve is paid. The advance receipt of the reinsurance recovery becomes a debt. Both the debt and the corresponding reinsurance recovery are</p>	

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	<p>released when the underlying claim is finally settled. If the claim is not settled the advance payment of the reinsurance recovery will be repaid to the reinsurer.</p> <p>This is in contrast to the wording in 3.200 which states that "All other payments should be considered in the premium provisions part of the recoverable". This would mean that claims were paid on gross but not part of the gross claims provisions and debt would be part of the premium reserve. This treatment is inappropriate and should be clarified.</p>	
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3.220.	<p>The CFO Forum requests clarification on whether "to take account of expected losses due to counterparty default," implies that undertakings can factor in the cessation of future reinsurance premiums payable as a result of the default.</p> <p>The current requirement may incorrectly double count counterparty default risk.</p> <p>If expected reinsurance recoverables are reduced while an additional charge to capital is made due to counterparty default risk from reinsurers, the CFO Forum highlights that there is a risk of double counting the counterparty default charge.</p>	
3.221.	<p>The principle of proportionality should be taken into account when deriving a suitable method of calculating the amount of recoverables from reinsurance contracts and special purpose vehicles.</p>	
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3.224.	<p>It may not always be possible to distinguish between events that relate to market risk and underwriting risk. Exceptions to the requirement need to be considered.</p> <p>The CFO Forum highlights that for certain contracts in life and non-life insurance (e.g.: GmxB and dual trigger related policies), market risk events are difficult to separate from underwriting risk events.</p>	

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	In these instances, the risks should be separated or reasonable approximations allowed.	
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3.230.	The phrase "realistic quality of the assumptions made" is unclear. It is not clear whether the assumptions or the quality should be realistic. This should be clarified.	
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3.235.	"Recital 31" should be replaced with "Recital 32".	
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3.237.	The use of "prudent" in relation to best estimate assumptions is not appropriate and should be removed. As noted in our comments in 3.1, "best estimate" assumptions should not be "prudent". Therefore we recommend replacing the word "prudent" in c) (iii) with "realistic". Comments in 3.1 are also relevant here.	
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3.244.	"Management actions" should be replaced with "future management actions".	
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3.257.	Level 2 implementing measures are required to clarify the treatment of volatilities in distorted market conditions. In distorted market conditions we should move away from implied volatilities e.g. to historical volatilities.	
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3.263.	<p>The assumptions set out in 3.263 are important for ESG calibrations. We recommend that the assumptions are specified in level 2 implementing measures instead of level 3.</p> <p>These are important assumptions from an economic scenario generator perspective. Reasons for specifying these at level 2 are:</p> <ul style="list-style-type: none"> • Model approval will start in the second half of 2010 and the Level 3 text will not be published until 2010. Therefore, this will impact the model approval process; • If included at level 2, this will allow a greater level of efficiency and consistency to be achieved across all EEA countries. 	
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3.271.	<p>Response to a)</p> <p>Further guidance is required to ensure a harmonised approach. For example, different methods for deriving volatility will impact the calculation of the best estimate liability.</p> <p>Response to b)</p>	

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	<p>Further guidance is requested in the following areas:</p> <ul style="list-style-type: none"> • Volatility • Correlations • Tail distributions • Options available when deep and liquid markets do not exist <p>The list in 3.263 is also relevant here.</p> <p>Response to c)</p> <p>Overarching guidance should be set at the European Level to ensure consistency the EEA. However, we recognise that differences and requirements from member state supervisory authorities need to be considered and balanced in this respect.</p>	
3.272.		
3.273.		
3.274.	<p>The criteria for external data listed in g) should allow for proportionality, materiality and the level of credibility.</p> <p>The criteria for satisfying appropriateness of external data used to set assumptions do not allow sufficiently for the practical challenges of extracting data from third parties.</p> <p>Criteria for use of external data as a basis for assumptions should be based on proportionality and materiality and should also take into account the level of credibility attributed to that data in setting the relevant assumptions.</p> <p>The frequency of review is not defined. We suggest that a comment is added to say that this should be performed periodically.</p>	
3.275.	<p>It may not be possible to directly verify the prices delivered by the asset model.</p> <p>The CFO Forum believes that the above requirement may not be possible due to practical constraints such as unobservable markets, model simplifications, frequency of calibrations and market price distortions. The concept of materiality should apply here.</p>	

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3.276.	<p>The CFO Forum recommends that in respect of dislocated financial markets, historical volatilities are more appropriate than implied volatilities.</p> <p>Comments in 3.257 are also relevant here.</p> <p>The CFO Forum recommends an illiquidity premium should be included in the risk-free rate term structure calibrations.</p> <p>The CFO Forum has commented explicitly on the allowance of an illiquidity premium in the response to CP40: Risk free interest rate structures.</p>	
3.277.		
3.278.	<p>The CFO Forum has responded explicitly to the definition of a “deep, liquid and transparent market” in their response to CP41. This is repeated below for reference:</p> <p>The basis for identifying observable reliable market values in a “deep, liquid and transparent market” is too restrictive and the guidelines should be more applicable in practice.</p> <p>Possible amendments include:</p> <ul style="list-style-type: none"> • Aligning the definition with that of active markets used in IFRS Exposure Draft for Fair Value Measurement: “A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.” The CFO Forum highlights, however, that the guidance in this exposure draft in relation to inactive markets is circular and needs to be revisited. • Change the first bullet point to require that market values are adjusted for variation in future cash flows not reflected in the replicating cash flows to achieve a reliable estimate. • The third point, “The properties are expected to be permanent”, should be deleted as the characteristics of markets do change and it is unclear how markets should be treated if they subsequently fail to meet the definition. 	
3.279.		

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3.280.	'Adequate' calibrations are not defined. The CFO Forum suggests that appropriate methods for extrapolation are set out here.	
3.281.		
3.282.		
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3.285.	Assumptions should be based on consideration of the relevant internal and external data. The paragraph as drafted is confusing. It should make clear than assumptions should be based on a considered balance between the relevant internal and external data available.	
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3.324.	The definition of "curves" is unclear and should be clarified.	
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3.338.	The testing of out of the money options may be difficult due to margins in the option prices. Whilst the requirement is theoretically reasonable, in practice it could be difficult to replicate the market price of out-of-the money options due to margins included by investment banks.	

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3.339.		
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3.341.	The validation requirement should be consistent with existing IFRS or EEV processes and set with regard to the principle of proportionality.	
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3.345.	It is unclear whether this requirement is referring to controls or advice in addition to 3.343, 3.344, 3.352 and 3.353, or whether it is serving as a general statement. Further clarification is requested.	
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3.350.	Clarification of the rationale for requiring a more granular approach for Life insurance compared to non-life is requested. It is not obvious as to why the requirement to validate the best estimate at the product type level is proposed for life when a less granular approach is required for all other insurance obligations. Clarification of this point is requested.	
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Annex A		
A.1.		
A.2.		
A.3.		
A.4.		