Memo for information

To: Solvency II Working Group
From: Prudential Team
cc:
Date: 27-04-2018
Reference: ECO-SLV-18-101

Subject: EIOPA 2018 stress test - questionnaire responses

Comment

Members can find a summary of the responses the secretariat received to its questionnaire (ECO-SLV-18-058) on the 2018 EIOPA stress test exercise in the annex.

Members are kindly requested to share any further feedback from companies or NSAs relating to the stress test exercise when it becomes available.

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Annex

1. **Are your member groups in scope of the exercise planning on "voluntarily" disclosing the results of the exercise?**

Yes / expected to	-
No / not expected to	CH, FI, IT, NO, BE, FR
Don't know / no comment	AT, DE, DK, ES, NL, SE, UK
Not in scope	CH, PT, SK

2. **Are you, or your members, discussing the EIOPA stress test exercise with your NSA? If so, do you have any feedback?**

AT	Yes, at the beginning of May.
BE	Yes, the National Bank of Belgium (NBB) has told us: - The stress test exercise will begin mid may, timing to report 9 weeks - The scenario's will not be too severe, i.e. the stress test will prove that the insurance sector is solvent and stable.
CH	Certain Swiss entities in the EU have not yet been contacted by NSAs to participate, but have taken part in the past, so it may still happen.
DE	-
DK	With regards to company disclosure and post-SCR they refuse to comment and refer to EIOPA making the decision.
ES	Our supervisor has contacted our market participants, but as far as we know they are not discussing on technical details.
FI	Yes, we had a discussion recently with our supervisor who has the intention of extending the stress testing scope nationally to other insurance groups too. In addition, we commented to our NSA that our companies are very against to all stress testing.
FR	FFA engaged with ACPR and sent a letter highlighting its concerns.
IT	We are in contact with our national supervisor but we don't have any specific feedback different from what it is known also at European level.
NL	-
NO	The disclosure of results will be totally voluntary, and since only two groups participate, that means that both will have to agree to disclose – otherwise no disclosure will be made.
PT	The results of the stress test exercise will only be used for local supervision purposes and no individual disclosure will be required.
SE	We have discussed the stress test with the Swedish NSA. The focus in these discussions have been on why the results of the stress test should be not published for each insurer (instead just aggregated), why individual disclosure should not be mandatory, and why post-SCR should not be calculated. We have raised these issues with the NSA a couple of times and we intend to do so at a meeting later this week as well. However, we have no clear indication of what its approach will be on these issues.
SK	National Bank of Slovakia offered consultations, but insurance companies didn't react.

UK	We are in regular contact with the PRA on the stress test exercise. The only information we have beyond that already provided by EIOPA concerns the scenarios: • EIOPA is comfortable with the three scenarios (market shock, low-for-long and natural catastrophe); it regards them as plausible and not as severe (especially in the case of the market scenario) as was the case for the 2016 exercise. • There will be no surprises on the insurance stresses (lapse, claims reserve deterioration and natural catastrophe); they will be a variation on the 2014 exercise, and no more severe. We are not clear whether these will be global stresses (like the market stresses), or apply solely to exposures within Europe.

3. Is your NSA planning on extending the scope of the exercise beyond the groups identified by EIOPA?

Yes / expected to	BE, FI, IT, NL, PT
No / not expected to	DE, DK, ES, SE, SK, UK, IT (not confirmed), NO, FR
Don't know / no comment	AT, CH

nb – some of the above responses have not been officially confirmed by the respective NSAs.