

To: Solvency II Working Group
From: Prudential Team

Date: 22-12-2017
Reference: ECO-SLV-17-292

Subject: EIOPA Opinion on the supervisory assessment of internal models including a dynamic volatility adjustment

Comment

On 21 December, EIOPA issued an Opinion on the supervisory assessment of internal models including the dynamic volatility adjustment (DVA) (see [press release](#) and [Opinion](#)).

The secretariat understands this to be a positive development as it adds legitimacy to the recognition of the dynamic volatility adjustment, on the condition that the modelling of the DVA is no less prudent than if EIOPA's VA methodology was replicated.

Members are encouraged to undertake their own analysis and discuss the implications with their NSA. The secretariat would welcome feedback from members of their analysis and discussion in their local market.

Should members have any comments or questions, please contact prudential@insuranceeurope.eu.