

To: Solvency II Working Group
From: Prudential Team

Date: 25-07-2017
Reference: ECO-SLV-17-137

Subject: EIOPA's feedback on Insurance Europe's comments on consultation on 2.2.0 PWD release

Summary

On 19 July, EIOPA released its final Solvency II 2.2.0 XBRL taxonomy and DPM (see [ECO-SLV-17-132](#)). Insurance Europe had submitted input for the consultation on 30 June (see [ECO-SLV-17-117](#)). EIOPA has responded bilaterally to Insurance Europe on its consultation feedback, and the full set of comments by EIOPA can be found in the background section.

Should members have any questions/comments, please write to prudential@insuranceeurope.eu

Background

EIOPA's feedback to Insurance Europe's comments consists of the following three parts:

1. Timing and unexpected changes

- On the timing of v.2.2.0 EIOPA states it complied with the timing agreed and published in the "Governance of Taxonomy Releases and Schedule 2017" as well as announced in the public event on 19 April (see [ECO-SLV-17-066](#)). The public working draft (PWD) was published on EIOPA's website on 1 June.
- EIOPA noted it will consider Insurance Europe's feedback regarding the timelines for the next review of the and consider extending the PWD review timelines before the publication of the final taxonomy version.
- EIOPA fully agrees that unexpected changes should be avoided and highlights that public events and public working drafts are provided to prevent unexpected changes.
- EIOPA notes that for this PWD it organised a Meet to Market event for the industry on 6 June with 68 attendees (details and slides available [here](#)). According to EIOPA, 70% of entities which have reported technical issues for 2.2.0 PWD participated in this event.
- For the taxonomies in production (2.0.1 and 2.1.0) EIOPA updated the list of validations on 1 June, and subscribers to the RSS feed were notified. EIOPA further mentioned that for the taxonomies in production there are areas, such as the list of validations, where reported mistakes have to be solved as soon as they are identified to avoid that wrong validations block submissions.

2. Questions regarding taxonomy

- EIOPA notes that regarding the particular point of the inclusion of the new technical table T.99, the aim is not to collect any new data. The aim of this table is to reduce the implementation costs of collecting the same required data. This table has to be used only (and exclusively) if there is an issue with the regular business tables which would prevent the correct submission of all required data. In other words, this should allow overcoming some issues that without this T.99 would require issuing a Taxonomy hot fix (with an impact on all taxonomy users).
- EIOPA indicated that the Public Disclosure requirements are not impacted. EIOPA has no intention to collect or publish this data in XBRL. The only change is the inclusion of the disclosure templates within the taxonomy, which will facilitate the tools to easily derive most of the public disclosure data

from the other reporting obligations. EIOPA made this change following numerous feedback from the industry and according to EIOPA it does not create any additional burden; it only facilitates the disclosure and it is reducing the implementation costs. EIOPA also highlights that this is just another option and undertakings are also free to continue to use their current approaches.

- Regarding the DPM database, EIOPA notes that within the taxonomy the metrics are fine but the DPM DB was not in line for these elements. This has been corrected for final version 2.2.0. On the DPM dictionary, more specifically on Domain GA-Geographical areas, EIOPA mentions that Kosovo has been added for 2.2.0 geographical areas.

3. Questions regarding business

- List of assets: EIOPA has solved this issue, the reporting of external ratings and CQS is now independent. CQS should also reflect any internal rating used.
- S.06.03: EIOPA notes that raising new issues such as the application of the look-through to assets from unit-linked business is not appropriate at this point in time. According to EIOPA the draft published is a balanced approach with the aim to relief the burden for undertakings without undermining supervision of prudent person principle. On the Insurance Europe's concrete proposals EIOPA commented as follows:
 - There is no ambiguity but in case needed EIOPA indicated it stands ready for further clarification via the Q&A channel.
 - The 90% threshold is only applicable to the country look-through; its applicability to all areas was not discussed by EIOPA.
 - The example of the 5% is included as an example and should be considered as such. Proportionality thresholds should be in place but undertakings need to be confident that material risk concentrations are being identified (this is expected to be done through risk management arrangements).
 - According to EIOPA the requirement for the approach to be kept consistent was raised in the public event by the industry and is a good practice. EIOPA remarks that consistency over time does not mean that changes are not possible. EIOPA states that changes leading to a more appropriate result will always be considered and accepted.
 - EIOPA notes that if companies comply with the previous ITS requirements, they would automatically comply with the new rules – so this could be read as being an implicit optionality.
- S.11.01 (and S.03.01): EIOPA indicates that it was not possible to include any clarification. But EIOPA suggests seeking clarification through the Q&A tool and if required to consider the issue with the next revision. EIOPA will keep Insurance Europe informed of the discussions.
- S.21.01: EIOPA pointed out that all Q&A related to this template are being revised considering the amendment introduced and as such the reference to negative amounts will be eliminated. EIOPA notes that technically the template allows for reporting of negative amounts. However, considering that the template now reflects accumulated amounts, this should be less probable.
- S.23.01.04: EIOPA mentions that the inclusion of new information or changing the approach of an existing row is not appropriate at this stage.
- Validations 650 and 652: EIOPA confirmed the Insurance Europe interpretation is correct, namely the bits highlighted in yellow should not be included in the validation as a result of the fact that unit linked amounts are not reported in R0100, R0200 or R0230.
- EIOPA made validations 446-457 non-blocking.