

Workshop Prudent Harmonised Reduced Set of Scenarios (PHRSS) *Initial industry considerations*

15 September 2022



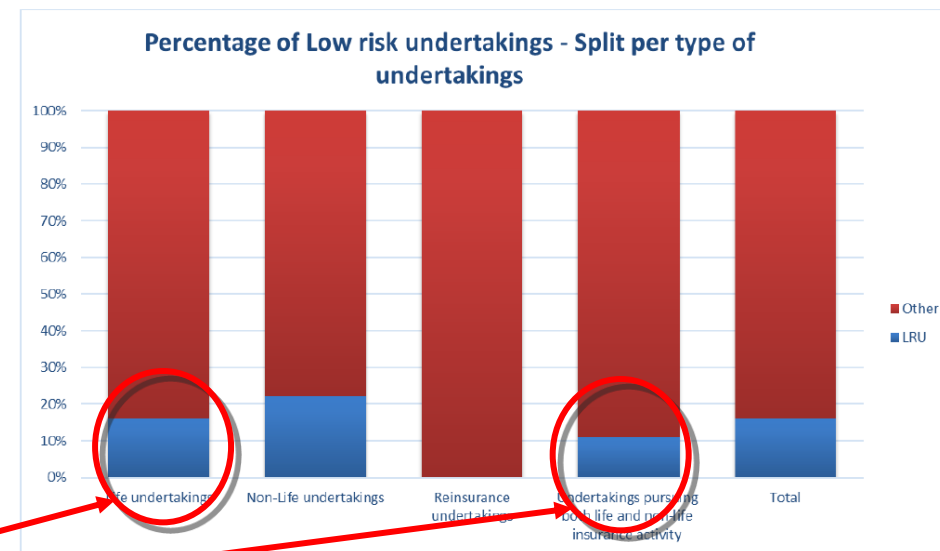
Initial industry considerations

Timing

- Welcome opportunity to engage with EIOPA...
-but too little time to discuss with members.
- No agreed technical feedback at this stage....
- ...but happy to follow up.

Scope of PHRSS is key

- Seems to apply to limited number of companies in a limited number of member states.
 - How many undertakings are LRPU* with options and guarantees?
 - How many are using deterministic valuation approach?
- * LRPU definition is not yet finalised.



Source: EIOPA

Initial industry considerations

Scope and impact on EIOPA's proposed approach

- Does scope of PHRSS influence the development of the scenarios? E.g. risk factors to be included?

Proportionality

- Principle of proportionality is fully supported by industry
- PHRSS approach should also be proportionate
 - Is a 5% of SCR threshold for TVOG material?
 - Is a 5% loading for « immaterial » TVOG appropriate?



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