

To: Solvency II Working Group  
From: Prudential Team  
Date: 03-10-2019  
Reference: ECO-SLV-19-213

Subject: Summary EIOPA Event on Reporting Consultation and Third ECB-EIOPA joint workshop on reporting

## Comment

The secretariat recently attended two events organised by EIOPA and ECB:

- Reporting and Disclosure event related to SII Reporting and disclosure review 2020, on 30 September
- Third ECB-EIOPA Joint Workshop on Insurance Reporting, on 1 October

A summary of both events can be found below. The presentations given by the industry can be found on the Extranet ([ECO-SLV-19-214](#) and [ECO-SLV-19-215](#)). The secretariat will circulate the other presentations, given during both events, as soon as these will be shared.

## Summary

### Reporting and Disclosure event related to SII Reporting and disclosure review 2020 (30 September 2019)

- **Insurance Europe Presentation** - The secretariat conveyed the Insurance Europe key messages from the reporting consultation, noting these are still subject to possible changes. There was wide support from participants.
  - Regarding the proposal to only have data (public QRTs) in the professional section of the SFCR, EIOPA noted that having no narrative report will be a step back for market discipline and market transparency. EIOPA also noted it is possible to make links to other reports to avoid duplicates, if the info is already publicly available.
  - Regarding standardised sensitivities/variation of own funds - EIOPA noted it did not get any input, and therefore, EIOPA based the proposed standard sensitivities on concrete examples from SFCRs published by main groups. EIOPA noted it is happy to discuss severity and granularity.
  - Regarding the Variation Analysis – EIOPA noted it would like to know how companies perform the variation analysis internally, and EIOPA asked participants to tell them how to make it less burdensome to report this type of information.
  - Regarding Internal Models, EIOPA highlighted it is not asking standard formula numbers to compare them. The numbers will be used carefully, and the objective of requesting this data is to keep, on an ongoing basis, the trust in IM. Several industry representatives highlighted that the current framework is fit for delivering good IM supervision, and that communication between supervisors should be enhanced to foster convergence.
- **AMICE** - AMICE provided a presentation, which was largely in line and complementary to the Insurance Europe messages.
- **Voluntary Field-Testing Exercise** – EIOPA provided more insights in the voluntary field-testing exercise

- Will likely be launched by the end of this week
- Participants are encouraged to send as much feedback on the templates as possible. EIOPA highlighted that participants do not have to test all the templates, feedback per template, or even on parts of the templates is very much welcomed.
- Will be delivered as a package, similar to the XBRL taxonomy package, but it will not contain any validations.
- EIOPA highlighted that the templates are based on the consultation paper, however, this does not mean EIOPA will not take into account comments provided by the industry.
- Second wave of the consultation – EIOPA provided further details, however they will only share the presentation later:
  - Will be launched together with the other consultation on the 2020 review
  - It will cover:
    - Regular Supervisory Reporting:
      - Frequency – No change to the Delegated Acts is envisaged, but there is a proposal to introduce level 3 tools (guidelines) to promote supervisory convergence regarding the frequency of the RSR.
      - Proposals to improve both the structure and the content of the RSR, eg:
        - § Proposal to merge the risk profile section with the capital management section (similar to SFCR proposal)
        - § Identify duplications with the ORSA and require the info only when it is not reported in the ORSA, or when the information in the ORSA is outdated.
        - § Identify potential duplications within the RSR report
      - EIOPA proposes not to include an option for a single group RSR.
    - Proportionality and thresholds
      - approach towards exclusion from SII: after considering several options, EIOPA is of the view that the existence of the thresholds should remain, and that proportionality should be reinforced across the 3 pillars of SII.
      - Adequacy of the different thresholds within Art 4 in terms of size: EIOPA has not yet agreed on the direction to take regarding the level of the thresholds. Several options are on the table: no change; double the thresholds (with or without leaving the level of premiums at the discretion of member states); incorporating in their design some future adjustments based on growth/inflation; applying thresholds based on premiums for non-life and on technical provisions for life; or base the exclusion on a % of the national market (although this last option seems unlikely).
      - EIOPA acknowledged that the application of the proportionality principle needs further reinforcement and convergence.
    - Group QRTs –
      - EIOPA proposes to change art 254 of the directive to allow group reporting being exempted without having to exempt all solo insurance undertakings.
      - S.05.01 – premium, claims and expenses - delete the template at group level
      - S.05.02 - premium, claims and expenses, by country – keep the template, but delete 'changes in other technical provisions'.
      - S.23.01 – currently no change in the template, but may change after any revision of the SII directive/DA
      - Group reporting on Internal Models -
    - Group SFCR:
      - EIOPA proposes no changes in Level 1 and Level 2 regarding the addressees of the group SFCR.
      - Group SFCR is proposed to be kept as it currently is - one SFCR including an executive summary.

- EIOPA proposes amendments in Level 1 and Level 2 regarding the content of the group SFCR, in line with the proposal at solo level
- External audit requirement is also proposed for group SFCR, with as a minimum the group Solvency II Balance Sheet. The output should be an audit opinion published together with the SFCR.
- Each Member state can request additional auditing requirements at its own discretion.
- EIOPA will further clarify the expectations regarding the level of assurance required for the audit through guidelines, supervisory statements or other tools deemed adequate.
- Languages – Proposal to delete DA Art 360 (3) – and as such not requiring the translation of the summary into the official language or languages of the MS where any of the insurance undertakings has his head office.
- EIOPA proposes to have no change in the templates that are currently disclosed in the group SFCR
- EIOPA proposes to extend the deadlines for the SFCR disclosure by 6 weeks to 20 weeks. The Directive should also ensure that the deadline for SFCR disclosure cannot be sooner, in any case, than the disclosure of regular Audited Annually Reported Financial Statements in case of listed (public) companies.
- Individual QRTs linked to other areas of Solvency II 2020 review, in particular (but not only) LTG templates
  - Volatility Adjustment
  - Risk management provisions on LTG measures
  - BE and EPIFP
  - Extrapolation
  - Disclosure of LTG measures
- Technical aspects of reporting and disclosure consultation and data quality aspects will be covered after these two consultations
  - Technical implementation and data quality of the SII reporting and disclosure framework does not impact the legal framework of SII and can be improved by EIOPA at any point in time
  - EIOPA believes its proposals in the technical area contribute further to the proportionality and cost efficiency of the reporting and disclosure framework.
  - Due to timing issues this part was detached from the main Opinion, but EIOPA expects to consult before the end of the year.
  - This section will also be subject to specialised consultation including M2M events.
  - Final position will be agreed together with final Opinion

### Third ECB-EIOPA Joint Workshop on Insurance Reporting (1 October 2019)

#### ■ Data Quality

- **Insurance Europe** provided a presentation on data quality – highlighting that:
  - Data quality has been improving over time as both companies and supervisors gained more and more experience operating under Solvency II.  
In case of particular issues, these can be discussed in order to consider specific and efficient solutions, since any changes to the reporting requirements could lead to potential new data quality issues as well as financial costs.  
Therefore, any changes made should be considered carefully and also take into account the cost/benefit.

