European Solvency II Discussions - Preparatory Field Study

Notes

1) Please state the standard tables, or other parameters, that have been applied for the assumed mortality and morbidity rates in the valuation of the liabilities.

2) Please state the assumed rates of discontinuance of polices at different durations.

3) Please provide a description of the assumptions that have been made about the level of future bonuses in quantifying the liabilities in the various shock scenarios.

3) Please provide a description of the nature and extent of any options available to policyholders, and how, if at all, these have been taken into account in the valuation of the liabilities.

4) If options have been taken into account, please describe the approach that has been followed to placing a value on these options.

5) If options are valued either fully or partially, what rate of take-up of options is assumed?

6) If options cannot be valued fully, could you indicate why this is not possible?

7) Please provide any relevant notes or explanatory comments about the numbers and how they compare to the existing technical provisions.

8) Could you please describe the methods and assumptions by which you currently assess the level of any 'risk margins' that are included within your technical provisions (ie the margin between the provisions currently held in your balance sheet and the expected value of the liabilities that have been calculated for the purpose of this preparatory field study).

9) Please comment on any practical difficulties that were encountered in compiling the figures for this study.

10) Do you have any suggestions about the calculations might be simplified without losing too much precision in the numbers?

Optional Questions

1) What proportion of the assets are already reported on a market value basis, either on the balance sheet or in the notes to the accounts? (%)

2) What proportion of the assets is actively traded (%)?

3) What proportion of the (fixed-income) portfolio is credit-rated (%)?

4) Do you have any views about how an appropriate set of 'risk margins' might be determined for the purpose of evaluating the liabilities on the balance sheet?