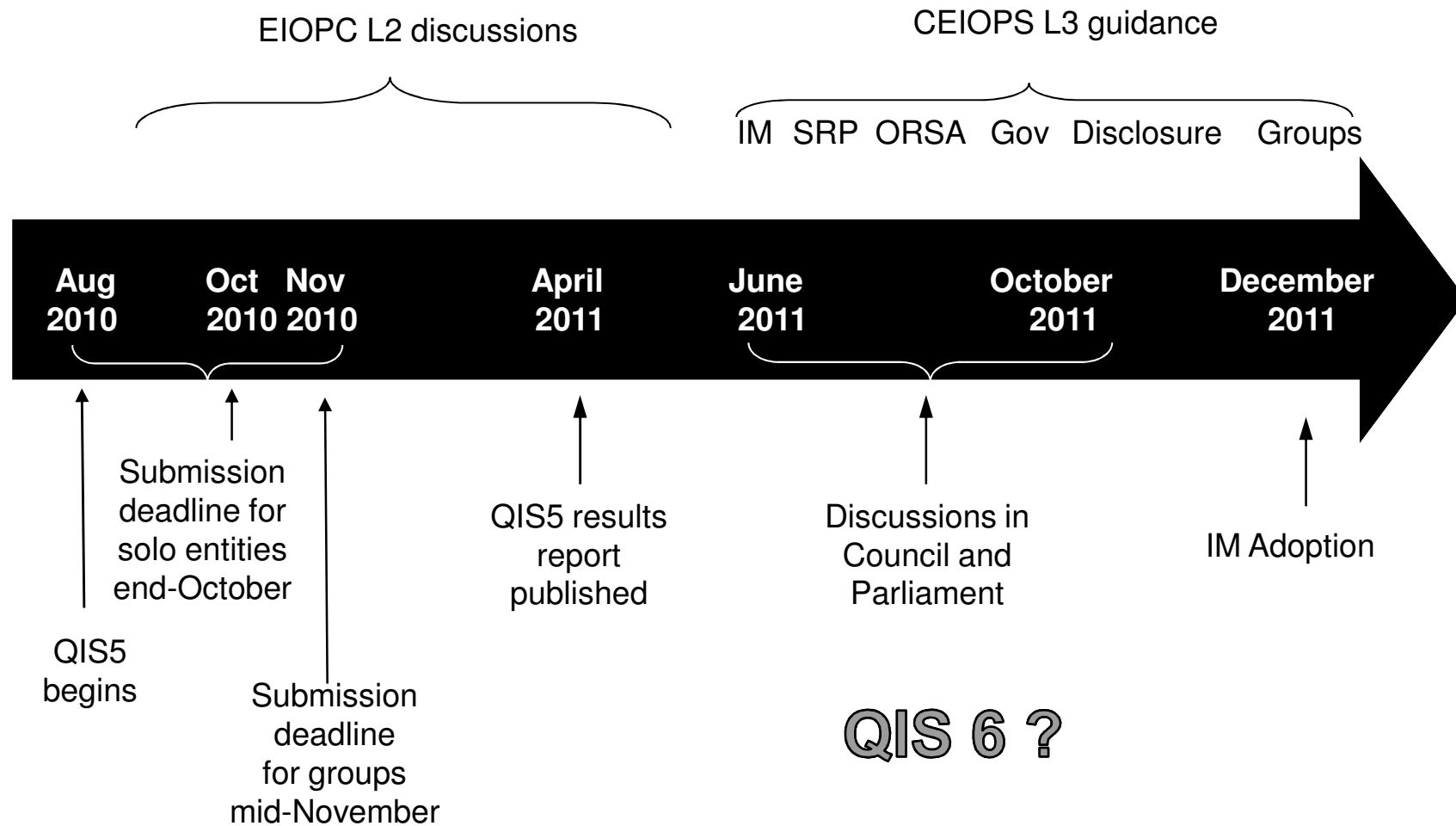


Insights from the current SII debate in Europe



***Solvency II tra pre-application e implementazione:
il ruolo del CRO Forum Italiano***

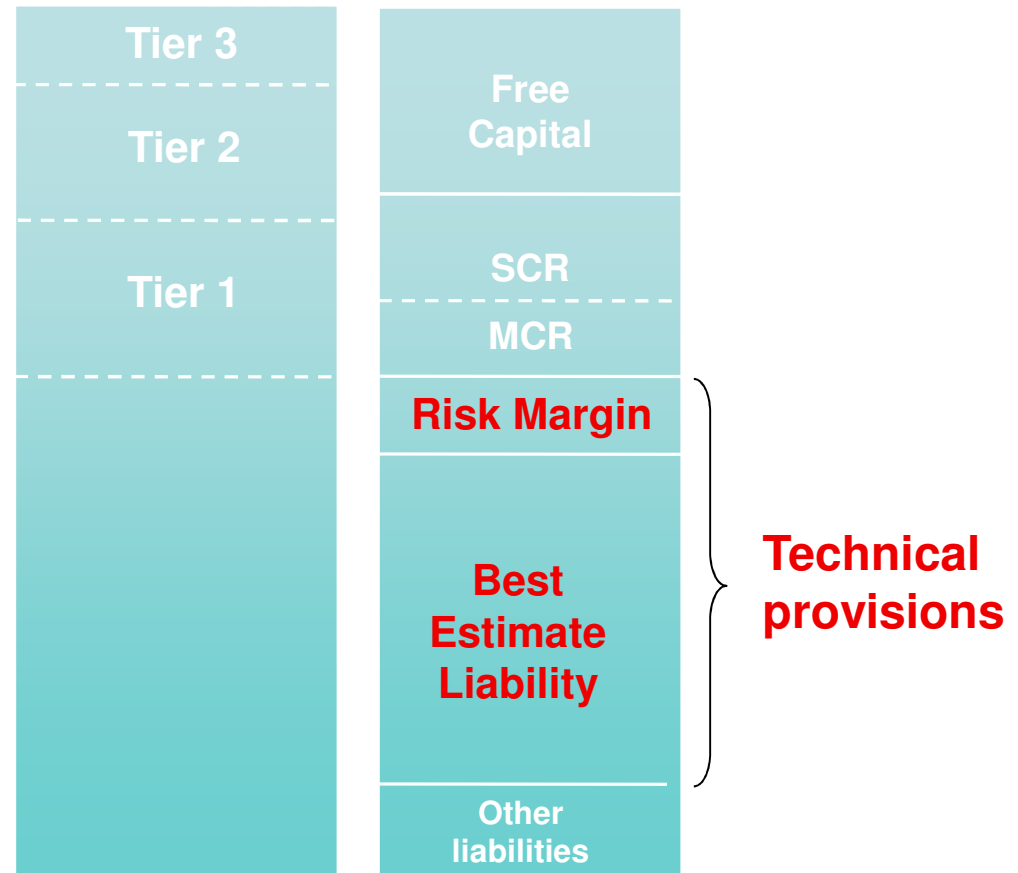
Alberto Corinti
Rome, 14 July 2010



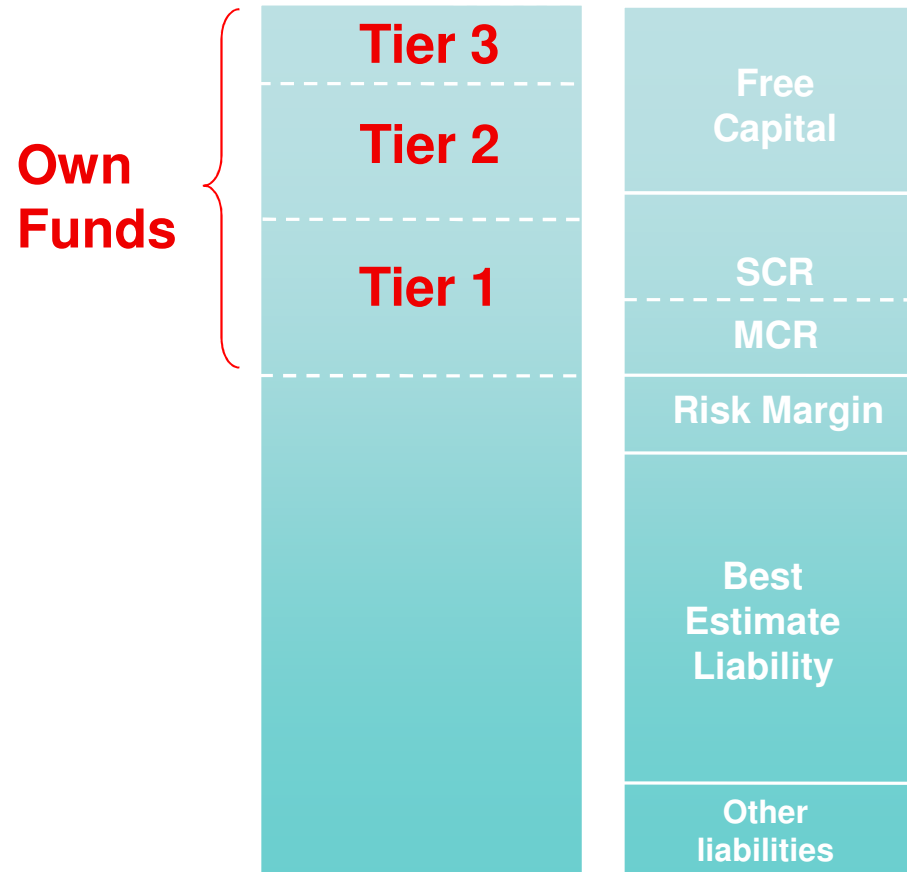
■ Key issues:

- Risk free curve
- Illiquidity premium
- Risk margins
- Future premiums

- Transitional?

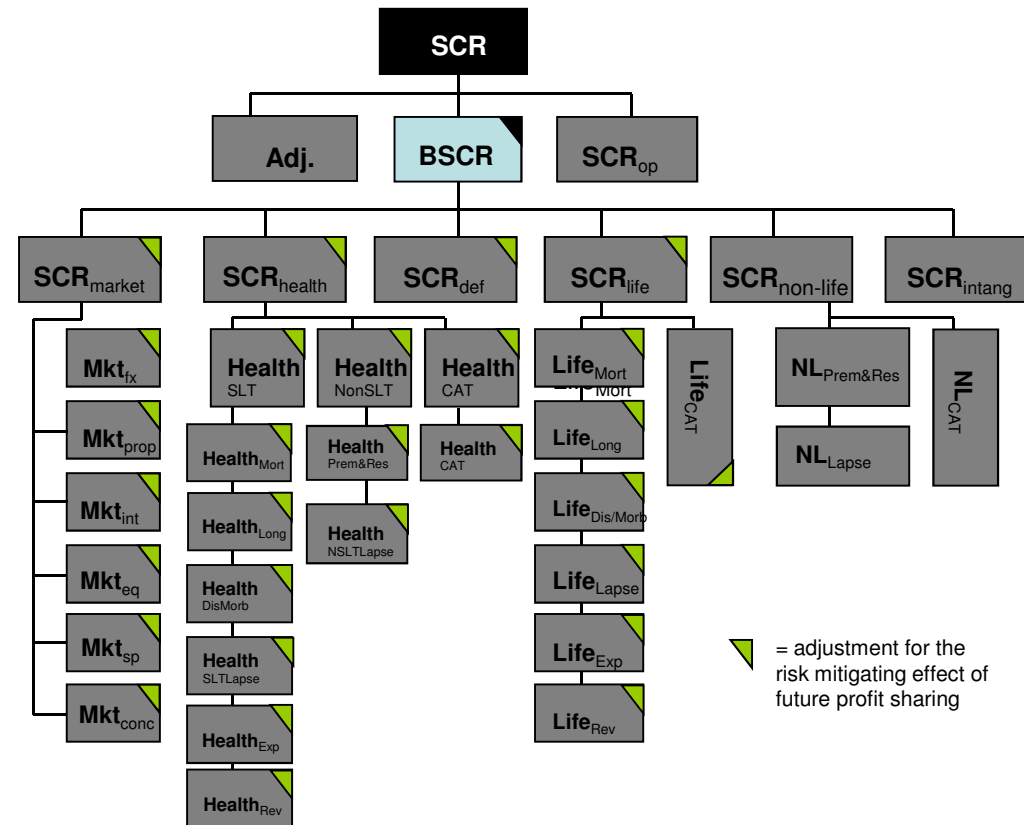


- Key issues
 - Future profits
 - Hybrid debt and grandfathering



■ Key issues

- NL premium and reserve risk
- Spread risk
- Market risk correlation
- Treatment of participations
- NL CAT risk



- Governance structures
- ORSA
- Potentially onerous public disclosure and reporting requirements
- Transferability of capital in a group



- Simplifications/Proportionality
- Undertaking specific parameters
- Partial internal models
- Full internal models



How will they be applied by supervisors?

New European authorities will replace the current committees

CEBS

- Enhanced legal status
- Power to issue binding decisions

EBA

CEIOPS

- Resolution of disagreements between national supervisors

EIOPA

CESR

- Coordination role in emergencies
- Enforcement power

ESMA

Supervisory setting could affect how Solvency II is applied in practice

Managing systemic risk will be a key priority



Macro-supervision could potentially affect micro-supervision



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