

**Comments Template on CEIOPS-CP 53  
 Consultation Paper on the Draft L2 Advice on SCR Standard Formula – Operational risk**

**Deadline  
 11.09.2009  
 4 p.m. CET**

Name of Company:	<b>PricewaterhouseCoopers LLP</b>	
Disclosure of comments:	CEIOPS will make all comments available on its website, except where respondents specifically request that their comments remain confidential.  Please indicate if your comments should be treated as confidential:	No
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ <u>Do <b>not</b> change the numbering</u> in the column “reference”.</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.                         <ul style="list-style-type: none"> <li>○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.</li> <li>○ If your comment refers to sub bullets/subparagraphs, please indicate this in the comment itself.</li> </ul> </li> </ul> <p><b>Please send the completed template, <u>in Word Format</u>, to <a href="mailto:secretariat@ceiops.eu">secretariat@ceiops.eu</a>. Our IT tool does not allow processing of any other formats.</b></p> <p>The numbering of the paragraphs refers to Consultation Paper No. 53 (CEIOPS-CP-53/09).</p>		
<b>Reference</b>	<b>Comment</b>	

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General Comment		
1.	Introduction	
1.1.		
1.2.		
1.3.		
1.4.		
2.	Extract from Level 1 Text	
2.1.		
2.2.		
2.3.		
2.4.		
2.5.		
3.	Advice	
3.1.		
3.2.		
3.3.		
3.4.		
3.5.		
3.6.		

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3.7.		
3.8.		
3.9.		
3.10.		
3.11.		
3.12.		
3.13.		
3.14.		
3.15.		
3.16.		
3.17.		
3.18.		
3.19.		
3.20.		
3.21.		
3.22.	Is this a sufficient representation of the insurance market, no information is provided regarding the diversity that exists amongst the chosen entities.	
3.23.	Lack of detail around the data collected leads to questions about reliability/quality of the data, and the potential biases that exist.	
3.24.	See 3.25	
3.25.	Based on the biases/questionable sample data collected (see 3.22,3.23), this conclusion is not a certainty	

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3.26.	See 3.38	
3.27.	See 3.38	
3.28.	See 3.38	
3.29.	See 3.38	
3.30.	See 3.38	
3.31.	See 3.38	
3.32.	See 3.38	
3.33.	See 3.38	
3.34.	See 3.38	
3.35.	See 3.38	
3.36.	See 3.38	
3.37.	See 3.38	
3.38.	We encourage the inclusion of the diversification benefits within the standard formula and we encourage the use of a discount factor linked to the effectiveness of a firm's controls, to promote best practices. Controls should be assessed by an independent entity to reduce bias and ensure consistency.	
3.39.	CEIOPS should give a detailed explanation of the reasons and the base analysis for proposing the increase in calibration factors (in particular for BSCR), especially addressing the fact that the increase is not consistent with the Level 1 text and that the analysis for the increase is based on uncertain, unreliable and unrepresentative results from internal models (see above)	
3.40.		

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3.41.