

**Comments Template on CEIOPS-CP 55
 Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

Name of Company:	PricewaterhouseCoopers LLP	
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"> ⇒ <u>Do not change the numbering</u> in the column "reference". ⇒ 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>. ⇒ 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"> ○ 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. ○ If your comment refers to sub bullets/subparagraphs, please indicate this in the comment itself. <p>Please send the completed template, <u>in Word Format</u>, to secretariat@ceiops.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to Consultation Paper No. 55 (CEIOPS-CP-55/09).</p>		
Reference	Comment	
General Comment		
1.		

**Comments Template on CEIOPS-CP 55
Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

1.1.		
1.2.		
1.3.		
1.4.		
2.		
2.1.		
2.2.		
2.3.		
2.4.		
3.		
3.1.		
3.2.		
3.3.		
3.4.		
3.5.		
3.6.		
3.7.		
3.8.		
3.9.		
3.10.		
3.11.		

**Comments Template on CEIOPS-CP 55
Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

3.12.		
3.13.		
3.14.		
3.15.		
3.16.		
3.17.		
3.18.		
3.19.		
3.20.		
3.21.		
3.22.		
3.23.		
3.24.		
3.25.		
3.26.		
3.27.		
3.28.		
3.29.		
3.30.		
3.31.	It is not clear why capital at risk needs to be split by outstanding term as this will add to the analyses which undertakings will have to perform for the MCR calculation.	
3.32.		

**Comments Template on CEIOPS-CP 55
Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

3.33.	The proposals for deferred tax in this paragraph are broadly consistent with the loss-absorbency discussion in CP54. The way that losses and deferred tax liabilities interact is reasonable. However, we feel that there should be some possibility of recognition of deferred tax assets where they are of sufficiently high quality (acknowledging that this will require further discussion and consultation).	
3.34.	As 3.33	
3.35.	As 3.33	
3.36.		
3.37.		
3.38.	For composites, CEIOPS has stated that calculating notional life and non-life SCR does not constitute a capital requirement. Undertakings will need to be assured that this notional calculation does not become a capital requirement as it could result in a change in the way in which businesses are managed operationally.	
3.39.		
3.40.		
3.41.		
3.42.		
3.43.		
3.44.		
3.45.	MCR is required to be calculated and reported quarterly but as this calculation is partly based on SCR, undertakings will need to calculate quarterly SCRs. This will further add to the reporting requirements for undertakings outside the annual process.	
3.46.		
3.47.		
3.48.		

**Comments Template on CEIOPS-CP 55
Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

3.49.		
3.50.		
3.51.		
3.52.	It is not clear what would constitute a sufficiently sophisticated calculation for SCR.	
3.53.		
3.54.		
3.55.		
3.56.		
3.57.		
3.58.		
3.59.		
3.60.		
3.61.		
3.62.		
3.63.		
3.64.		
3.65.		
3.66.		
3.67.		
3.68.		
3.69.		

**Comments Template on CEIOPS-CP 55
Consultation Paper on the Draft L2 Article 128 Calculation of the MCR**

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

3.70.		
3.71.		
3.72.		
3.73.		
3.74.		
3.75.		
3.76.		
3.77.		
3.78.		
3.79.		
3.80.		
3.81.		