

Date  
30 April 2008

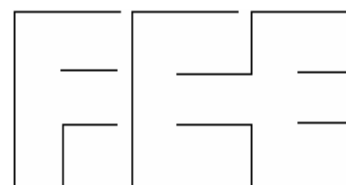
Le Président

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Mr Carlos Montalvo Rebuelta  
Secretary General  
CEIOPS  
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Dear Mr Montalvo Rebuelta,

**Re: Consultation Paper No. 25 CEIOPS' Draft advice on aspects of the Framework Directive Proposal related to Insurance Groups – ref.: CEIOPS-CP-02/08**

FEE (Fédération des Experts Comptables Européens - Federation of European Accountants) welcomes the opportunity to comment on the CEIOPS' Draft advice on aspects of the Framework Directive Proposal related to Insurance Groups, as published by CEIOPS in February 2008 ("the Consultation Paper").

We have the following specific comments:

***Description of possible methods of transferring eligible funds***

The description (Annex 1) of possible methods of transferring eligible own funds is useful, however its status should be made clear. We believe that the necessary condition for accepting group support as own funds is, that the transfer of assets is legally and irrevocably enforceable by the transferee in the event of a crisis and the group support is triggered. In the light of different legal environments in company law or current practices, we believe that no specific legal structures but the principle requirements should be prescribed.

***Disclosure of information***

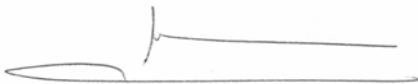
Paragraph 119 (b) of the Consultation Paper, the use of declarations of group support requires immediate public disclosure. We query whether it is useful to require "immediate" public disclosure, before the insurer's management and the supervisor have been able to take the necessary measures to address the situation. We suggest, that any such disclosure requirement is brought in line with the general disclosure obligations applicable to SCR non-compliance

***The rule of separation of lines of business***

The Consultation Paper does not address how the “group support regime” interacts with the prohibition to carry on life and non-life insurance activities simultaneously in one single undertaking. There is currently a variety of practices with respect to guarantees by life insurers that may expose them to risks. The supervisory process needs to ensure that any involvement of a life insurer in the group support regime does not have a significant negative impact on the position of the life insurer’s policyholders. This might allow a life insurer with excess capital resources to give guarantees for example that though theoretically reducing the policyholder security might be regarded as acceptable. The terms of any such guarantee would need to be established and limited by the capacity of any excess capital in the life insurer.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

Yours sincerely,



Jacques Potdevin  
President

Ref: INS/JP/LF-SR