

Annual Actuarial Function Activity Report YYYY

Version 3.0 – Final version

Working group members: R. Bou Harb; L. Cornaert; H. Crick; J-C de Pooter; K. Everaert; H. Herbots; F. Inghelbrecht; J. Lokasso; B. Loonbeek; A. Loualidi; G. Nyssen; V. Tellier; G. Vandenbosch; T. Vanhecke

Date of validation by the group members: 13.11.2018

DISCLAIMER

No responsibility or liability is accepted by the Actuarial Function Working Group, or any Committee of the Board constituted by the Institute of Actuaries of Belgium (IABE) or any of their respective members, officers, or advisors for any loss occasioned to any person acting or refraining from action as a result of any statement, fact, figure or expression of belief contained in this document or communication.

The IABE is aware that this guidance may be accessed by non-IABE members. IABE accepts no obligation to any non-IABE members or external parties for their use and further, no responsibility or liability for any decision or loss arising from this guidance.

Purpose

The aim of this document is to provide guidance on the Annual Actuarial Function Activity Report. They focus on the Solvency II requirements as defined in the Circular NBB_2016_31 updated in September 2018.

Those regulations precise namely that, according the Delegated Act 2015/35 (article 272), the Actuarial Function Holder must report at least annually, and directly, or via the Risk Committee, to the Board of Directors and, for information, to the Executive Committee, on the execution of its missions. The Activity Report must:

- Report on all tasks performed by the Actuarial Function on and their results;
- Indicate clearly the issues;
- Enounce recommendations on remediation actions.

This guidance on this report is presented as a template or a table of contents in which each part is commented. Detailed guidance on the specific tasks related to subjects mentioned in this document are/will be prepared separately.

For each topic, the related Belgian and European regulation references are mentioned for information. We point out that only the Belgian Law is applicable in Belgium but the European context can be of interest.

The Actuarial Function can adapt the content according to the needs of the stakeholder and the proportionality principle.

The document does not treat WAP/LPC duties of the former appointed actuary or the IORP2 regulation. Those subjects will be the purpose of other guidance.

1. Executive Summary

This part of the report shall contain all key messages to be delivered.

It is based on the structure of the report as from section 4 and the high level requirements on the Annual Actuarial Function Activity Report as defined in the Circular NBB_2016_31 updated in September 2018: the governance w.r.t. the Actuarial Function, the main conclusions of the reviews that have been performed, the summary of the recommendations and the follow-up of outstanding recommendations from previous reports.

1.1. Actuarial Function

This section relates to key messages on the governance and effectiveness of the Actuarial Function, including the self-assessment.

It also contains the list of activities and reports performed during the year.

1.2. Summary of Conclusions

This section relates to key messages on technical subjects as listed in the Circular NBB_2016_31 updated in September 2018 and the Directive 2009/138/EC – Art. 48. (Remark: the content of the Actuarial Function assessment reports may treat several subjects together.)

1. Technical Provisions
2. Underwriting & Profitability
3. Reinsurance
4. Profit Sharing & Rebates
5. Contribution to Risk Management
6. Tasks related to transitional measures
7. Other tasks

1.3. Summary of Recommendations

1.4. Summary of outstanding recommendations of previous reports

1.5. Appendices

2. Table of Contents

3. Introduction

This part contains amongst others the scope and the purpose of the report as well as the particularities for the specific review year that might be important to mention in order to sketch the context of the report.

4. Actuarial Function

This part of the report relates to the governance and the effectiveness with respect to the Actuarial Function.

4.1. Legal requirements on the Actuarial Function

With the introduction of Solvency II as of 1st January 2016, the implementation of the Actuarial Function as an independent second line controlling function is mandatory. The applicable Belgian and European legislations (Solvency II) regarding the Actuarial Function are found in the annex.

4.2. Implementation and effectiveness of the Actuarial Function

This section shall describe how the Actuarial Function is implemented and its effectiveness during the year. Remark: guidance on the content of this section will be produced by the IABE working group on Actuarial Function.

4.3. Self-assessment on the Actuarial Function

This section shall contain the conclusion of the self-assessment of the Actuarial Function during the year.

4.4. Actuarial Function Activities and Reports

This section shall contain general information on activities (including main training and information sessions) and reports performed by the Actuarial Function during the year.

5. Technical Areas

This section relates to technical subjects as listed in the Circular NBB_2016_31 updated in September 2018 and the Directive 2009/138/EC – Art. 48.

The content of the Actuarial Function assessment reports may treat several subjects together.

It is structured as follows, by subject:

- *Legal Requirements and what is expected from the Actuarial Function;*
- *Actuarial Function activities during the year under review;*
- *Summary of the assessment(s);*
- *New recommendations;*
- *Follow-up of the recommendations from the previous years.*

5.1. Technical Provisions

This section belongs to the minimal elements that must be reported in the Annual Actuarial Function Report according to the Circular NBB_2016_31 updated in September 2018.

5.1.1. Legal requirements

The Solvency II regulation regarding the Technical Provisions and the Actuarial Function's role and responsibility in assessing their calculation is laid down in the documents listed in the annex.

A. Technical Provisions

The applicable regulation states that, complementary to the Data Quality and models & assumptions assessments, the Actuarial Function shall assess the adequacy and reliability of the amount of Technical Provisions through:

- The coordination/supervision of the calculation of Technical Provisions, i.e. to:
 - apply methodologies and procedures to assess the sufficiency of Technical Provisions and to ensure that their calculation is consistent with the requirements set out in Articles 123 to 139 of the Belgian Solvency II Law;
 - assess the uncertainty associated with the estimates made in the calculation of Technical Provisions;
 - ensure that any limitations of data used to calculate Technical Provisions are properly dealt with;
 - ensure that the most appropriate approximations for the purposes of calculating the best estimate are used in cases referred to in Article 139 of the Belgian Solvency II Law;
 - ensure that homogeneous risk groups of insurance and reinsurance obligations are identified for an appropriate assessment of the underlying risks;
 - consider relevant information provided by financial markets and generally available data on underwriting risks and ensure that it is integrated into the assessment of Technical Provisions;
 - describe the events that occurred during the period and that have influenced the Technical Provisions (large losses, change of the legislation,...);
 - compare and justify any material differences in the calculation of Technical Provisions from year to year based on the review of the reconciliation and the analysis of movements of the technical provisions from the previous financial year to the end of the current financial year;
 - ensure that an appropriate assessment is provided of options and guarantees included in insurance and reinsurance contracts.

Remark: this task relates to the Technical Provisions as a whole, i.e. the best estimate of liabilities and the risk margin. With respect to the last one, although the calculation of the single risk capitals that composed the SCR is under the responsibility of the Risk Management Function, the Actuarial Function has to perform general checks on the modules cited in article 38 of Delegated Act 2015/35.

- The comparison of Best Estimates against experience that corresponds to the review of the quality of past best estimates and use the insights gained from this assessment to improve the quality of current calculations. The comparison of best estimates against experience includes comparisons between observed values and the estimates underlying the calculation of the best estimate, in order to draw

conclusions on the appropriateness, accuracy and completeness of the data and assumptions used as well as on the methodologies applied in their calculation.

B. Data Quality

Under the general Solvency II framework, stakeholders must have internal documented processes and procedures in place to ensure the appropriateness, completeness and accuracy of the data used in the calculation of their Technical Provisions. The Belgian regulation specifies in the Circular NBB_2017_27 of 12/10/2017 that the Data Quality must be assessed for accuracy, reliability, completeness, consistency, plausibility and time of transmission.

As an independent second line controlling function, the Actuarial Function contributes, in cooperation with the Data Quality Officer, to the Data Quality framework as described in the Data Quality Policy of the company. The Actuarial Function holder must assess the sufficiency and quality of the data used in the calculation of Technical Provisions and assumptions against the Data Quality standards as defined in Solvency II and he/she must assess as well whether the information technology systems used in the calculation of Technical Provisions sufficiently support the actuarial and statistical procedures. Where relevant, the Actuarial Function provides recommendations on internal procedures to improve Data Quality so as to ensure that the undertaking is in a position complying with the Solvency II framework and there is sufficient comfort in the quality of the data used for valuing the parameters and Technical Provisions.

C. Models and Assumptions

As an independent second line controlling function, the Actuarial Function reviews the assumptions and models changes set during the regular Models and Assumptions changes cycle or on an ad hoc basis. Namely, the Actuarial Function ensures that the calculation process has been correctly performed on data of sufficient quality and shows satisfying results, the impact of changes is well explained, a back-testing has been performed and the impact on the results and their sensitivity to the changes on the Technical Provisions are measured.

If neither model nor parameters changes occurred, the Actuarial Function assesses the back-testing and reviews the sensitivity of the Technical Provisions to the used parameters.

Finally, it assesses the acceptability of the models and assumptions.

D. BEGAAP reserves

The Actuarial Function provides an opinion on BEGAAP Technical Provisions according the Belgian Royal Decree 17/11/1994 on annual accounts of insurance and reinsurance companies.

If the company must allocate a complementary provision to the Flashing Light¹ reserve, the Actuarial Function must attest that the allocated amount is consistent with the 17/11/1994 Royal Decree. Otherwise, the Actuarial Function has to explain why no complementary provision is needed.

E. Transfer of portfolio

In case of transfer of an insurance or reinsurance portfolio to another party, the Actuarial Function must provide a report on the Technical Provisions of the transferred portfolio and an assessment on the impact of this transfer on the total Technical Provisions of the undertaking.

5.1.2. Actuarial Function Activities on Technical Provisions in YYYY

List of Actuarial Function activities during the year.

References of the reports.

¹ Knipperlicht-Clignotant

5.1.3. Assessment on Technical Provisions

A. Assessment on the Data Quality

Executive summary of the report(s) that the Actuarial Function produced during the year.

B. Assessment on the Models and Assumptions in YYYY

Executive summary of the report(s) that the Actuarial Function produced during the year.

C. Assessment on the adequacy and reliability of Technical Provisions under Solvency II – Q4.YYYY

Executive summary of the report(s) that the Actuarial Function produced during the year and final opinion on the adequacy of the SII Technical Provisions.

D. Assessment on the adequacy and reliability of Technical Provisions under BEGAAP – Q4.YYYY

Executive summary of the report(s) that the Actuarial Function produced during the year and final opinion on the adequacy of the BEGAAP Technical Provisions.

E. Conclusions on the Flashing Light² Reserve

If applicable, executive summary of the report(s) that the Actuarial Function produced during the year.

F. Conclusions on a transferred portfolio and its impact on the total Technical Provisions

In case of transfer of an insurance or reinsurance portfolio to another party, the Actuarial Function must provide a report on the Technical Provisions of the transferred portfolio and an assessment on the impact of this transfer on the total Technical Provisions of the undertaking.

Remark: guidance w.r.t. the actuarial analyses and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.1.4. Recommendations on Technical Provisions

New recommendations.

5.1.5. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.2. Underwriting & Profitability

This section belongs to the minimal elements that must be reported in the Annual Actuarial Function Report according to the Circular NBB_2016_31 updated in September 2018.

5.2.1. Legal requirements for Underwriting & Profitability

The Solvency II regulation regarding the Actuarial Function's role and responsibility in assessing the underwriting is laid down in the documents listed in the annex.

The Actuarial Function must express an opinion on the overall underwriting policy that at least includes conclusions regarding:

- The sufficiency of the premiums to be earned to cover future claims and expenses, notably taking into consideration the underlying risks (including underwriting risks), and the impact of options and guarantees included in insurance and reinsurance contracts on the sufficiency of premiums;
- The effect of inflation, legal risk, change in the composition of the undertaking's portfolio, and of systems which adjust the premiums policyholders pay upwards or downwards depending on their claims history (bonus-malus systems) or similar systems, implemented in specific homogeneous risk groups;

² Knipperlicht-Clignotant

- The progressive tendency of a portfolio of insurance contracts to attract or retain insured people with a higher risk profile (anti-selection).

In addition, when providing an opinion on the underwriting policy, the interrelation between it and the Technical Provisions should be taken into consideration.

The Belgian regulation specifies that this consists of:

- Expressing an opinion on tariff of new products or product updates, reserving and reinsurance having an impact on the profitability of the company;
- Performing an annual profitability analysis of the different products both prospectively (i.e. “market consistent”) and a retrospectively (i.e. based on annual accounts);
- Analyzing the underwriting limits;
- Providing opinions and recommendations on risk acceptance.

In this mission, the Actuarial Function assesses the:

- Consistency between the underwriting policy, the risk profile and the risk appetite of the company;
- Tariff adequacy;
- Assumptions used to calculate the future profitability of products set in the underwriting policy;
- Risk drivers of the profitability.

In case of transfer of an insurance or reinsurance portfolio to another party, the Actuarial Function must provide a report on the profitability of the transferred portfolio and an assessment on the impact of this transfer on the total profitability of the portfolio of the undertaking.

5.2.2. Actuarial Function Activities on Underwriting & Profitability in YYYY

List of Actuarial Function activities during the year.

References of the reports.

5.2.3. Assessment on tariff, reserving and reinsurance of new products or product updates having an impact on the profitability of the company

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.2.4. Annual Profitability Analysis

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report are available.

5.2.5. General Assessment on Underwriting limits and process

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.2.6. Recommendations on Underwriting & Profitability

New recommendations.

5.2.7. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.3. Reinsurance

This section belongs to the minimal elements that must be reported in the Annual Actuarial Function Report according the Circular NBB_2016_31 updated in September 2018.

5.3.1. Legal requirements for Reinsurance

The Solvency II regulation regarding the Actuarial Function's role and responsibility in assessing the reinsurance is laid down in the documents listed in the annex.

The Actuarial Function must express an opinion on the adequacy, interrelationships (i.e. consistency with the risk appetite, underwriting policy and Technical Provisions) and the effectiveness of reinsurance arrangements. This opinion is based on a review of:

- the undertaking's risk profile and underwriting policy for both existing and new products;
- the adequacy of reinsurance coverages taking into account the underlying insurance coverages with a specific attention to reinsurance exclusions and limits;
- the reinsurance providers with respect to their credit standing;
- the expected cover under stress scenarios in relation to the underwriting policy;
- the calculation of the amounts recoverable from reinsurance contracts and special purpose vehicles;
- the impact of the reinsurance arrangements on SCR (especially when there is a change in the reinsurance program of the company).

In addition, in case of a transfer of an insurance or reinsurance portfolio to another party, the Actuarial Function must provide a report on the Reinsurance of the transferred portfolio and an assessment on the impact of this transfer on the total Reinsurance of the undertaking.

5.3.2. Actuarial Function Activities on Reinsurance in YYYY

List of Actuarial Function activities during the year.

References of the reports.

5.3.3. Conclusions on Reinsurance

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.3.4. Recommendations on Reinsurance

New recommendations.

5.3.5. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.4. Profit Sharing & Rebates

This section belongs to the minimal elements that must be reported in the Annual Actuarial Function Report according the Circular NBB_2016_31 updated in September 2018.

5.4.1. Legal requirements for Profit Sharing & Rebates

The regulation regarding Profit Sharing & Rebates and the Actuarial Function's role in assessing them, is laid down in the documents listed in the annex.

The 16/09/2016 Royal Decree on distribution of Profit Sharing and the attribution of rebates in insurance contracts stipulates that³ the Actuarial Function, according the article 59, § 1th, 10° of the 13/03/2016 law on the statute and the control of insurance and reinsurance companies, attests at least the following in its opinion :

- That the amount of the Profit Sharing is compliant with the policy written and agreed by the legal administration body;
- That this written policy has been correctly modelled in the cash-flows projection model used for the calculation of the Best Estimate (article 126 of the law of 13.03.2016);
- The amount of the variation of the non-active zillmerized amount.

In addition, the Actuarial Function attests that the rules of Art. 33 and 58§2 of the 14/11/2003 Royal Decree on the Profit Sharing & Rebates Attribution and on the Funds of dedicated assets with respect to the life insurance activity are met.

5.4.2. Actuarial Function Activities on Profit Sharing & Rebates in YYYY

List of Actuarial Function activities during the year.

References of the reports.

5.4.3. Conclusions on Profit Sharing & Rebates

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.4.4. Recommendations on Profit Sharing & Rebates

New recommendations.

5.4.5. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.5. Contribution to Risk Management

5.5.1. Legal requirements for the Actuarial Function's Contribution to Risk Management

The Solvency II regulation regarding the Risk Management and the Actuarial Function's contribution to this field is laid down in the documents listed in the annex.

The Actuarial Function contributes to the effective implementation of the risk management system referred to the own risk and solvency assessment (ORSA) requirements, in particular with respect to the risks underlying the calculation of the capital requirements and with respect to the assessment of the ORSA by:

- providing input as to whether the undertaking would comply continuously with the requirements regarding the calculation of Technical Provisions;
- identifying potential risks arising from the uncertainties connected to this calculation.

In addition, if the undertaking develops an internal model to be submitted to the approval of the Supervisor, the Actuarial Function contributes to the specification of the risks in the Actuarial Function's scope that are covered by the internal model. Based on a technical analysis that reflects the experience and the expertise of the Actuarial Function, it contributes to detect the interactions between the risks that are covered by the internal model and those not covered.

³ Free translation.

5.5.2. Actuarial Function Activities w.r.t. its contribution to Risk Management in YYYY

List of Actuarial Function activities during the year.

References of the reports.

5.5.3. Conclusions on Actuarial Function's contribution to Risk Management

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.5.4. Recommendations from the Actuarial Function's contribution to Risk Management

New recommendations.

5.5.5. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.6. Tasks related to transitional measures

5.6.1. Legal requirements for the Actuarial Function's tasks related to transitional measures

The Solvency II regulation regarding the Transitional measures and the Actuarial Function's contribution to this field is laid down in the documents listed in the annex.

The Actuarial Function must validate :

- the documentation on the calculation of the transitional adjustment of the risk free interest rates and its impact on the items of the balance sheet and the SCR;
- the amounts of Technical Provisions to be recalculated biannually according the article 669 of the Belgian Solvency II law and its reporting into the QRT.

5.6.2. Actuarial Function Activities w.r.t. its tasks related to transitional measures in YYYY

List of Actuarial Function activities during the year.

References of the reports.

5.6.3. Conclusions on Actuarial Function's tasks related to transitional measures

Executive summary of the report(s) that the Actuarial Function produced during the year.

Remark: guidance w.r.t. the actuarial analysis and the content of the Actuarial Function Report will be produced by the IABE working group on Actuarial Function.

5.6.4. Recommendations from the Actuarial Function's tasks related to transitional measures

New recommendations.

5.6.5. Summary of outstanding recommendations of previous reports

Follow-up on recommendations from previous years.

5.7. Other tasks and activities to be performed by the Actuarial Function outside the Solvency II Framework

This section contains the list of all activities and reports performed by the Actuarial Function during the year other than Solvency II activities. For instance, the duties of the former Appointed Actuary in WAP/LPC, IRP2 Activities, the review of policies and guidance, etc.

Evidences on the absence of conflicts of interest with Solvency II activities must be documented.

6. Appendices

This section contains the relevant technical documents including the analyses and tests performed by the Actuarial Function on which the Actuarial Function assessments and statements are based.

Annex – Regulations

Belgian Regulation

	Actuarial Function	Data Quality	Model and Assumptions	Technical Provisions	Knipperlicht	Profit Sharing & Rebates	Underwriting	Reinsurance	Contribution to Risk Management	Transitional Measures
Belgian Solvency II Law of 13/03/2016 “Wet op het statuut van en het toezicht op de verzekerings- of herverzekeringsondernemingen”	x	Art. 59 §1 3°; Art. 137	Art. 59 §1 2°; Art. 123 – 139	Art. 59 §1 1° 4° 5° 6°; Art. 123 – 139		Art. 15, Art. 59 §1 10°, 212, 217, 218, 219, 224 and 508	Art. 59 §1 7°	Art. 59 §1 8°	Art. 59 §1 9°	Art. 668 – 669
Royal Decrees of 17/11/1994 and 01/06/2016 on Annual Accounts of Insurance and Reinsurance Companies	x			x	Art. 34 sexies §5, 1°					
Royal Decree of 14/11/2003 on the life insurance activity	Art. 33 and 58§2			x		Art. 33 and 58§2				
Royal Decree of 16/09/2016 on distribution of Profit Sharing and the attribution of rebates in insurance	x					Art. 5				
Circular NBB_2015_21 of 13/07/2015 on internal control and function of internal audit	Art. 17									
Circular NBB_2015_30 of 09/12/2015 on documentation of transitional measures	x									x
Circular NBB_2016_19 of 25/04/2016 on orientations on Undertaking-Specific Parameters	Section 1	x								
Circular NBB_2016_26 of 25/04/2016 on orientations on valuation of SII Technical Provisions	Section 5	x		x						
Circular NBB_2016_31 of 05/07/2016 on governance	Section 5.3	x	x	x	x	x	x	x	x	x
Circular NBB_2016_39 of 05/10/2016 on the dispensation of the obligation to allocate complementary provisions	x				x					
Circular NBB_2017_04 of 16/02/2017 on investment of infrastructure	Section 3									
Circular NBB_2017_11 of 27/03/2017 on insurance companies under a particular regime given their small size	Section 4									
Circular NBB_2017_13 of 19/04/2017 on ORSA	Section 4								x	
Circular NBB_2017_17 of 02/06/2017 on the licence to be active as insurer in Belgium	Annex 1									
Communication NBB_2017_18 of 02/06/2017 on the licence to be active as insurer in abroad	Annex 1									
Circular NBB_2017_27 of 12/10/2017 on data quality	x	x								
Communication NBB_2017_32 of 29/12/2017 on clarifications on horizontal expense analysis	x		x							
Circular NBB_2018_08 of 09/03/2018 on insurance or reinsurance portfolio transfer	x			x			x	x		
Communication NBB_2018_23 of 13/09/2018 on the update of the Circular NBB_2016_31 of 05/07/2016 on governance	x	x	x	x	x	x	x	x	x	x

European Regulation

	Actuarial Function	Data Quality	Model and Assumptions	Technical Provisions	Knipperlicht	Profit Sharing & Rebates	Underwriting	Reinsurance	Contribution to Risk Management	Transitional Measures
Solvency II Framework Directive 2009/138/EC	Art. 48	Art. 48.1 (c); Art. 82	Art. 48.1(b); Art. 75 – 86	Art. 48.1(a, d, e, f); Art. 75 – 86		Art. 78	Art. 48.1(g)	Art. 48.1(h)	Art. 48.1(i)	Art. 308 bis
Solvency II Delegated Act 2015/35	Art. 272	Art. 19 to 21; Art. 272	Art. 22 – 61; Art. 272	Art. 22 – 61; Art. 272			Art. 272	Art. 272	Art.269 (1.c); Art.308(7)	
EIOPA-BoS-14/166 Guidelines on the valuation of technical provisions	x	Sections 1 and 2; Guidelines 3 to 16	Sections 3, 4, 5	x						
EIOPA-BoS-14/178 Guidelines on the Undertaking-Specific Parameters	x	x								
EIOPA-BoS-14/253 Guidelines on the system of governance	Guidelines 46 – 51	Guidelines 47 and 48	Guidelines 49, 51	Guidelines 47, 49, 51			Guideline 50	Guideline 50	x	
EIOPA-BoS-14/259 Guidelines on own risk and solvency assessment	Guideline 11								Guideline 11	