

**Comments Template for
Discussion paper on a possible EU-single market for personal pension
products**

**Deadline
16 August 2013
18:00 CET**

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|---|--|---------------|
| Name of Company: | Austrian Insurers' Association (VVO) | |
| Disclosure of comments: | <p>EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.</p> <p><i>Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.</i></p> | Public |
| <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 "question"; if you change numbering, your comments cannot be processed by our IT tool. ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a question, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple questions, please insert your comment at the first relevant question and mention in your comment to which other questions this also applies. ○ If your comment refers to parts of a question, please indicate this in the comment itself. <p style="text-align: center;">Please send the completed template, <u>in Word Format</u>, to personalpensions@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> | | |

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| Question | Comment | |
|-----------------|---|--|
| General Comment | The general discussion on retirement provision lacks identifying which instruments are duly adequate for this purpose. Beneficiaries that are confronted with a reduction of pay-as-you-go financed pensions should not be exposed to new risks when complementing their retirement provision by funded instruments. | |
| Q1 | <p>It is key to differentiate general savings from pensions. In contrast to life insurance, general savings do not provide lifelong benefits. A pension product should be characterized by the following four, cumulative features:</p> <ol style="list-style-type: none"> 1. capital guarantees and indexation (preserving the monetary value) 2. coverage of biometric risks (appropriation for the old age, disability, surviving dependants, long term care provision) 3. protection against insolvency and pawning 4. guarantee of lifelong, regular payments (life annuities) | |
| Q2 | | |
| Q3 | Redundant regulation has to be avoided. Life insurance products are already regulated under Directive 2009/138/EC (Solvency II). | |
| Q4 | | |
| Q5 | | |
| Q6 | | |
| Q7 | | |
| Q8 | In Austria the payout of traditional life insurance products considers lifelong benefits. Furthermore the policyholder is provided with guaranteed surrender values throughout the whole contractual period. Therefore any disruption during the accumulation phase has to be avoided. | |
| Q9 | The Insurance Single Market, established through the third generation of insurance directives in 1992, already enables the distribution of life insurance products on a cross-border basis. | |
| Q10 | The Insurance Single Market is already heavily regulated and does not require any further | |

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| | regulation which would lead to redundancies or inconsistencies. | |
| Q11 | | |
| Q12 | | |
| Q13 | | |
| Q14 | | |
| Q15 | | |
| Q16 | | |
| Q17 | | |
| Q18 | | |
| Q19 | | |
| Q20 | The Insurance Single Market, established through the third generation of insurance directives in 1992, already enables the distribution of life insurance products on a cross-border basis. There is no practical need for a 2 nd regime which would imply imbalances in the various Member States, i.e. consumers in the same market falling either under the national or the 2 nd regime. | |
| Q21 | | |
| Q22 | | |
| Q23 | | |
| Q24 | | |
| Q25 | | |
| Q26 | The Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA) represent a best practice example : http://www.fma.gv.at/en/legal-framework/minimum-standards/insurance-undertakings.html | |
| Q27 | | |
| Q28 | | |
| Q29 | | |
| Q30 | | |

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| Q31 | | |
| Q32 | | |
| Q33 | | |
| Q34 | Pension projections can be a useful tool and are already foreseen under the Minimum Standards for Information Requirements in the Life Assurance Sector issued by the Austrian Financial Market Authority (FMA). | |
| Q35 | | |
| Q36 | | |
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| Q38 | | |
| Q39 | | |
| Q40 | | |
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| Q43 | | |
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| Q51 | | |

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| Q52 | | |
| Q53 | | |
| Q54 | | |
| Q55 | | |
| Q56 | | |
| Q57 | IMD 2 lays down the information requirements and sales rules for all insurance products, including those providing for third pillar pensions, in a coherent manner. Any regulatory patchwork has to be avoided e.g. by adding another layer of legislation. | |
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| Q62 | | |
| Q63 | | |
| Q64 | | |
| Q65 | | |
| Q66 | | |
| Q67 | | |
| Q68 | | |
| Q69 | | |
| Q70 | The VVO does not support a product certification on European level for the following reasons: 1. In general product certification implies standardisation, which hinders product innovation | |

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| | <p>and open competition to the detriment of consumer-oriented, individual and flexible solutions.</p> <p>2. In the area of insurance the idea of a product certification raises serious concerns in the context of European secondary law. The third generation of insurance directives abolished price and product regulations when creating the Insurance Single Market in 1992. Today the Directive 2009/138/EC stipulates in Article 21 that "Member States shall not require the prior approval or systematic notification of general and special policy conditions (...) which an undertaking intends to use in its dealings with policy holders (...)."</p> <p>3. On the specific subject of pensions already existing definitions on national level require careful consideration. Against this background a European product certification could raise problems of subsidiarity with Member States.</p> | |
| Q71 | <p>The VVO does not support a product certification on European level for the following reasons:</p> <p>1. In general product certification implies standardisation, which hinders product innovation and open competition to the detriment of consumer-oriented, individual and flexible solutions.</p> <p>2. In the area of insurance the idea of a product certification raises serious concerns in the context of European secondary law. The third generation of insurance directives abolished price and product regulations when creating the Insurance Single Market in 1992. Today the Directive 2009/138/EC stipulates in Article 21 that "Member States shall not require the prior approval or systematic notification of general and special policy conditions (...) which an undertaking intends to use in its dealings with policy holders (...)."</p> <p>3. On the specific subject of pensions already existing definitions on national level require careful consideration. Against this background a European product certification could raise problems of subsidiarity with Member States.</p> | |